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KOSCHNIK INVERVIEWED ON SPD SECURITY POLICY

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 18 Feb 82 p 4

[Interview with Hans Koschnick, chairman of the Security Policy Committee attached to the SPD Executive, by Ulrich Mackensen of FRANKFURTER RUNDSCHAU: "Debate About NATO Counterarming Decision Sometimes One-Sided and Inhibited"]

[Text] Beyond the confines of the current security policy discussion, ways have to be sought to elucidate better the defensive nature of Western military doctrine. This was the opinion advocated by Hans Koschnick, chairman of the Security Policy Committee attached to the SPD Executive, when he was interviewed by Ulrich Mackensen of FRANKFURTER RUNDSCHAU.

FRANKFURTER RUNDSCHAU: Mr Koschnick, even if one takes into account the pluralism of a people's party, the SPD in its stand on security policy creates the impression of being split. What is it that the party could do to find its way back to a credible line in this field?

Koschnick: I do not dispute the fact that the public has received the impression of a split, mainly because of a key question, and that is: How and with what means can a development be promoted which makes possible for both blocs the achievement of security in Europe at a lower level of military weapons? The debate about the NATO counterarming decision has been one-sided and inhibited in that respect because in part one did not point out early enough the growing armament potential of the Soviet Union. On the other hand, it has been inhibited because suddenly one concentrated on discussions of such things as the Pershing II, the cruise missile, the Soviet SS-20 medium-range missile and the Soviet Backfire nuclear bomber, while not seriously bringing into play the overall nuclear potentials and the Soviets' top-heaviness in conventional weapons. I am sure the reason for this is that with a policy of detente supported jointly by the alliance the new forms of an understanding with the East, the building of bridges for economic and cultural cooperation, have very often been viewed only by themselves, without regard for the necessary pillars of support founded in the security alliance--incidentally not only in NATO. The Eastern bloc too was able to conduct this policy only because the Warsaw Pact gave it the relevant security.

[Question] You connect with this the term of security partnership?

[Answer] Among other things. After the results of the European Security Conference in Helsinki, we witnessed the dismantling of enemy concepts on both sides. This dismantling of enemy concepts, on this side anticomunism and on the other side anti-imperialism, released forces not only in the East--for instance in Poland--but in the West. Some of the unrest which occurred in London and Paris, Amsterdam and Zurich, in Copenhagen, Frankfurt or Bremen has something to do with the release of energy directed no longer against others but developing and now taking shape in new social structures.

And finally there is a change of awareness far beyond the German borders, with the danger potentials of nuclear armaments and of biological and chemical weapons being seen more clearly. Questions are being put both in the Protestant and the Catholic Church. All these people confront these questions and say that we really need new answers. But as long as we do not have any other answers, we have to make sure by means of deterrents that no conflicts are carried out by force. And of course only in Europe are there no conflicts. In Africa, Asia or Latin America we have had war ever since 1945--civil wars, a war of liberation or a colonial war, with 25 million dead--something that perhaps is not realized here.

The peace policy we talk about is a European peace policy; it is not yet an overall policy. Young people feel that there is a contradiction here. This contradiction is being articulated more strongly in the SPD, which is struggling for an answer in this question, than in other parties. We will have to live with this contradiction and try to make it clear that a reasonable policy directed toward detente and peace and extending beyond Europe also demands that we safeguard our own security interests and also, in doing so, respect the security interests of the other side.

[Question] You intend to make this clearer to the party base?

[Answer] After the debates about the NATO double decision we of course witnessed a situation where many of these contexts were not being viewed correctly any longer. People did not realize any longer that we had been able to embark on our road toward Ostpolitik only because we were tied closely into the alliance. People did not realize that the other side had been able to react in such a way only because we could be figured out. The question of whether one can figure out a side, of being tied into an alliance, but also of needing to respect the security interests of the other side--all this must become clear again. And then we will have to get away from narrowing things down to the cruise missile and the Pershing II or the SS-20.

[Question] The guiding proposal of the party executive concerning security policy also shows that the Social Democrats hope for a positive result of the Geneva negotiations concerning medium-range atomic weapons, or at least for a recognizable result by the end of 1983, when the counterarming part of the NATO double decision would take effect. Assuming that this does not happen, whether owing to Soviet delay or owing to U.S. negotiating tactics, what would the attitude of the SPD be then?

[Answer] In the negative case it can happen that nothing will come out of Geneva because of one or the other leading power or even because of contravening interests of both powers. Then we will have to determine whether our security interest requires the cruise missile and the Pershing II or whether we cannot arrive at equivalent or similar deterrent positions through other systems of defensive weapons which have more of a defensive character and do not facilitate the waging of war in the nuclear sphere the way the new precision weapons do. If one equates policy with rationality rather than with emotionalism, one will realize, however, that both world powers have an interest of their own in conducting the talks in Geneva. If they did not, neither the smaller alliance partners in West Europe nor Moscow's partners in central and East Europe would have been able, respectively, to make the United States and the Soviet Union sit down at the negotiating table. The interests existed, as did the urging especially by the Germans because, being located in the center of Europe, with the most weapons and soldiers on both sides of the borders, we have the greatest interest in negotiations.

[Question] Are you optimistic?

[Answer] I am. I believe--and my talks both in Moscow and in Washington indicate--that both sides take the correct view of where the interests lie. What is not being seen correctly in my opinion is the assessment of the other leading power. Both powers are burdened by comparatively large complexes and do not have enough scope for seeing the real problems of tomorrow or the day after tomorrow.

[Question] Back to the internal debate in the SPD. Notwithstanding the importance of the peace movement--for instance, for providing the needed stimuli for ideas--the party occasionally appears to lose sight of the fact that at least the majority of its voters approve of the official security policy.

[Answer] First of all we have the key task to make it clear that the existence of the Bundeswehr [FRG Armed Forces] has served peace in Europe and continues to do so, that the soldiers do not constitute a potential for endangering peace but one for stabilization which makes it possible to figure out German policy--interestingly enough, also for our West European neighbors, just as much as for central and East Europe. This is a very important question. Therefore the discussion which occurs occasionally as to whether ideas of neutrality might play a part there makes no sense at all. If you talk not to the leading forces in Holland but to the peace movement in Holland, or in Poland or Czechoslovakia with people who do not represent official policy, you will see that they will definitely get goose pimples when the term of "neutralization" of both German states is voiced.

Both sides would like to have the German partner in their alliance to, let us say, be able amicably to accompany them. Here the debate must be a little more rational locally, in the Social Democratic Party. It is also necessary to differentiate in the question of security policy. The Bundeswehr, after all, has only a mission within the framework of overall strategy and security policy. The concept of security policy is directed toward military security,

toward security in foreign affairs, but also toward a socially balanced domestic security, and also has a certain significance in the sphere of development policy.

In these fields we must have the courage, first, to make it clear to our people that there is an internal connection, that nothing can be viewed by itself. Secondly, we must make it clear that NATO doctrines in the sphere of military policy are not immutable either, but that each partner must ponder as to whether, beside the current doctrine, it is not possible to have another doctrine in defense, in questions of armament or weaponry or in questions of defensive strategy. I therefore believe that it is necessary for us to think through, to debate more the questions of alternative military strategies. Only, we should not think that our having an opinion automatically changes the NATO doctrine.

This is part of the contribution also being made by other states, and it sometimes amazes me a lot to hear a great deal more in the way of differentiated views about strategies in the United States or Britain than in this country, where allegedly everything has been set for all time. Nothing is set; the only thing that is set is a consensus of the alliance. But in this consensus there must be possible alternatives.

[Question] The SPD has announced a "Bundeswehr Forum" for March. Is this not just an alibi?

[Answer] No; in that case the peace forum would have been just as much of an alibi event. We would like to expand the narrowing of a peace debate and its moral-political impulses to such an extent that we can say that we also have other fields of a concrete peace policy which in their turn need to be emphasized appropriately. And I say this: As far as I am concerned, the Bundeswehr is an instrument for insuring peace, and this must become apparent. It should become so apparent as to make society realize that we have always thought so and always will think so.

8790
CSO: 3103/302

MAY-68 EX-LEADER ON TERRORISM CAUSES, POTENTIAL

Paris L'UNITE in French 22 Jan 82 pp 8-9, 11

[Interview with Alain Geismar, ex-leader of May-68 movement and Gauche Proletarienne (a Maoist organization), author of "Vers la guerre civile" [Toward Civil War], July et Morane (1969), and "L'Engrenage terroriste" [The Terrorist Apparatus], Editions Fayard, by Gilbert Sans; date and place not specified]

[Text] [Question] Could this book, "L'Engrenage terroriste," in some ways be considered a partial or total evaluation of a period, of a revolutionary militant?

[Answer] I encountered the problems of relationship between militant, political and military action with the Algerian War, thus around the end of the 1950's, and then in 1968 when at one time, when De Gaulle was in Baden-Baden, there were serious rumors of troops, or indeed tanks, being deployed around Paris. Later, in the early 1970's, there was the question of civil war, of an armed struggle, questions which, collectively, many militants had to think about at the time. I was also extremely affected, since some people who were very close to us in 1968, in Italy, Germany and other countries, became terrorists. We did not become terrorists and this was not due to any historical accident, but was voluntary and deliberate. I decided to write the book after the attacks in Bologna and Munich in the fall of 1980. I really thought that it was the time to do so, especially since I feel very deeply that this is a subject which people hardly think about, a subject to which citizens have two reactions: 1) I am afraid; 2) That does not concern me: These are contradictory and crippling reactions. The problem of terrorism is left to its protagonists, armed groups and their enemy: police or parapolic counterterrorism. Unless it is used as a subject for propaganda (books, the media ...).

[Question] How do you explain the fact that a country like France has been--relatively--spared by the terrorist phenomenon?

[Answer] There are terrorist actions in France. Terrorism does not exist as a political system practiced by a faction or group of factions which could claim the legitimacy of popular support. What could happen is that a terrorist movement could emerge from May-68, from an established movement stirring up millions of people.

This is more or less what has happened, relatively speaking, in Germany and Italy. It is the leaders of the German, Italian and Japanese "May" who have launched into terrorism. France has been spared. But there are terrorist actions in France. Everyone is aware of some, but many are overlooked. There is not just Corsica and Brittany. People have been killed and wounded. There was Copernic, of course, but there are also several hundred assassination attempts in France annually, including a large number by the extreme right. The absence of a terrorist faction in the militant sphere of influence deriving from May-68 is due to the fact that the Gauche Proletarienne [Proletarian Left], which could have given birth to such a faction, rejected terrorism for very deep reasons of political ethics. When Pierre Overney was assassinated in front of the Renault factory, when a young student was killed in 1968 by the mobile police in front of Flins, when two workers--Blanchet and Bellot--were assassinated by the CRS [Republican Security Companies (State Mobile Police)] at Peugeot-Sochaux, those were situations in which, elsewhere and with different mentalities, it would have been conceivable for some groups to take armed action. The main reason why the Gauche Proletarienne [GP] did not take action--and since it included most of the far left, no one took such action--is related to the way in which the political consciousness of its founders was molded. They were very deeply, on one hand, the heirs of antifascism and antinazism and, on the other, the heirs of the antitorture campaign during the Algerian War and the campaign against colonial wars. Thus their rejection And even thinking that civil war was looming on the horizon and that it was therefore necessary for militants to prepare for it, we always had it in our heads never to fire the first shot. Even when a comrade was killed, we did not retaliate.

The second factor: the closeness of the GP, along with a number of people of very high moral consciousness, such as Sartre, Foucault, Clavel and others. Such closeness was no accident. Throughout the revolutionary process, there was a certain concept of mankind which we sought to promote. We did not do everything exactly right, far from it. The proof: We disbanded ourselves. Because we were not satisfied ourselves with what we were doing. But we had no "terrorist temptation" and as close as we were to the armed action, a certain boundary was never crossed. This is so true that the dissolution of the Gauche Proletarienne can be dated back to its political leadership's rejection of the Palestinian operation in Munich (1974).

From the time of that event, a process started to develop which, together with French domestic problems and Lip as well, led us to dissolve the organization. Because we thought--I'm going very fast--that if Lip could do without us, that proved that we were no longer needed so much to put some imagination in government, from the Sorbonne to the factory.

[Question] Often, an initial result of terrorist movements is the challenging of traditional political democracy in favor of more forceful ideologies, as in the case of the Tupamaros, for example Is this a constant feature?

[Answer] The case of the Tupamaros is even more serious, for it is not at all evident that Uruguay--one of the few middleclass democracies in Latin America--would have become fascist without their intervention. Uruguay's domestic conditions did not predispose that country to fascism. There was a kind of alternation: liberals, conservatives It was one of the most "prosperous" countries in

Latin America. Fascism in Uruguay originated from the reaction to the Tupamaros, a reaction orchestrated by the army and the general staff, ending in a coup d'etat. Today Uruguay is one of the worst dictatorships in the world and, paradoxically, what is left of the Tupamaros--practically nothing--is allied with its former enemies, the middleclass government leaders of the period, against fascism. Result: thousands of people dead and tortured; the population has suffered the impossible and is still suffering. Thus several questions can seriously be raised. Let's not forget that fascism has sometimes followed something other than just terrorist factions; in the case of Chile, for example, fascism followed a Popular Front regime led by the socialist Allende. So let us be careful of oversimplifications! The source of fascism in the last part of the 20th century is not only the terrorist movement.

[Question] But then what analysis can be made of terrorism? Isn't there also some responsibility besides a certain concept of the "reason of state"?

[Answer] If terrorism is to be defined other than according to the overly classical definition, i.e., he who wins is an insurgent and he who loses is a terrorist, then I would say: Those who decide to make a people live according to terrorism and counterterrorism are terrorists. Thus Nazi Germany was terroristic; in the 1930's, the Nazi leaders decided to practice state terrorism. Franco's Spain was a terrorist state. People who, during a period of civil peace, decide to systematically take armed action are terrorists. I say systematically, because I think that Carrero Blanco's execution probably helped the Spanish people to move toward democracy. I think that Aldo Moro's assassination was a crime and a terrorist crime. It could have been necessary to liquidate Carrero Blanco; it is another thing to systematically practice terrorism in Spain 10 years before and 10 years afterwards.

And the matter of liquidating a tyrant is not the same as forming armed groups with the policy of systematically practicing terrorism. Actually, it is impossible to talk about terrorism without talking about state terrorism, without making an historical reference to Nazism, without talking about fascism, Francoism or the terrorist regime in Argentina.

The Irish question is a difficult one. In any case, it was scandalous to let those guys die of hunger in prison when they made demands concerning their conditions of confinement. They did not demand that the government of her gracious majesty lay down its arms. Jeopardizing men's lives over prison conditions is a scandal. Now the Irish question is delicate: Because it is clear that for centuries the British have been considered and have lived as colonists with their army in Ireland. At the point where matters are now, today in 1982, the fact remains that if this colonist were to suddenly depart overnight, without preparing any transitional solution, it is only too apparent what would happen between catholics and protestants in Northern Ireland. Thus matters are complicated, because of the practices of protestant paramilitary groups, because of the practices of the provisional IRA and because of the practices and position of England. Nothing will be settled overnight. Now, allowing Bobby Sands and his comrades to die--as they have done--will provide a certain degree of legitimacy for future terrorism.

[Question] Your book reveals a number of spicy stories, such as the first highjacking of a plane in history

[Answer] In aviation history, it was Ben Bella's plane which was first highjacked by the French Government, which was headed by the socialist Guy Mollet at that time. I think that when they talk about terrorism and skyjacking in France, it is good form to recall that incident and the Sakiet bombing. At the time, unless I am mistaken, there was only one minister who resigned. Thus no one here is a virgin. Governments cannot be asked to adopt puritan ethics as long as there are governments which are immoral. A government has its own way of looking at things. Nevertheless, there are degrees of government immorality which are absolutely unbearable and intolerable and which can be classified as terrorism. When a minister of justice says that the death penalty must be maintained because it inspires fear, this is quite simply the same logic as in the dictionary definition of terrorism. You cannot be against the death penalty and accept executions, whether such executions are carried out by the government or by so-called revolutionary groups. I no longer recognize so-called proletarian, revolutionary or leftist justice, the right to do what I deny to middleclass, rightist justice.

[Question] In the operation of terrorism, there is a horrifying approach to things, a force that carries you away

[Answer] Terrorism operates according to a logic which ultimately and totally eludes the thought and control of those who originated it. When terrorism is weak, it needs protectors. When terrorism does not have mass support, it needs money, hiding places, materiel, false papers and there are always people who will come to its aid. We live in a divided world in which secret services and special services operate and there are people who are interested in destabilizing this or that government or who, in any case, are capable of having several irons in the fire, of following a policy of detente and simultaneously supporting terrorist groups or using armed force.

When groups, out of weakness, are induced to accept such support, they are no longer their own masters. Thus, depending on the case, the Soviets will be the "anti-imperialists" for some while for others it will be the Third World and Qadhafi, and something else for still others This is the case of the Germans, for example. For lack of being in their own element in Germany, the Germans have finally emerged from a strictly German context and have themselves taken their place in a world political context. They have become the mercenaries of certain Palestinian groups. People often talk about Qadhafi, but there are certainly other governments and Qadhafi himself exists only because the Soviets want it that way. I think that no government, that no chief of state--unless he were depraved--could launch a terrorist movement by himself. It is the internal causes, what takes place inside a country, which cause groups to prepare to take terrorist action. But once these groups exist, they can very easily become the actual stake in conflicts between the great powers.

The great powers cannot create terrorist groups, but if a country's social, cultural and political situation leads to the formation of terrorist groups and results in their protection by one of the great powers at a certain time, due to both political similarities and material weakness, during the confrontation between such groups and the government, then we have a situation such as that of the Baader-Meinhof group, which sometimes carries out orders and sometimes exceeds the expectations of their silent partners: Thus the abortive plan against Simon Wiesenthal. No

one asked the German group to do that. But they thought that it would please their financial backers.

[Question] Don't the internal, moral and socioeconomic problems of a given society also have a decisive effect on the conditions of terrorism's birth and survival?

[Answer] It is actually the internal causes in the life of a people which create the conditions for terrorism. Terrorism occurs when vital problems are ignored, when they are not fundamentally resolved, when people, losing hope that such problems can be solved by traditional political means, use warfare as a means of solving them.

Let's take a recent example: the kidnapping in Naples of the man assigned to distribute government funds for earthquake victims. Everyone knows how such funds are distributed in Italy. It is an abominable scandal. Some people line their pockets and the people starve in spite of national or international support efforts. The Red Brigades, which was almost on its last legs, having gotten weaker and weaker since Aldo Moro's death--some abandoned terrorism en masse, while others were arrested--are establishing a new social base for themselves in southern Italy, simply because of the Italian Government's inability to properly provide support for the disaster victims. And this should be considered very seriously, because terrorism will always occur in a time of political negligence by major government social and political forces.

[Question] What lessons--for France as well as for Europe and the world--could be learned today by the left from both the terrorist past and "present" (Italy, etc.)?

[Answer] I am not seeking to found a new organization or to tell any existing organization what it should do. Simply stated, for the most part the terrorism of the last 10 years in Europe has been a far-left terrorism. There has been little talk of far-right terrorism, which is particularly dangerous. I will say two things: On one hand, what can lead to the formation of armed groups is the fear of a fascist putsch. A good deal of what has taken place in Italy began after the fall of Allende in Chile, since a number of Italian militants believed that Italy's situation was ripe for a coup d'etat and wanted to be armed themselves. They did not want to be caught napping, like the Greeks This raises the question of damaging, of destroying fascist groups and fascism in certain institutions such as the army, the police, SAC [Civic Action Service] This is important, because the fantasy of a fascist coup d'etat is not always just a fantasy. It exists; it has already happened in France and has already happened elsewhere. I still remember the putsch of April 1961. The second idea is that there are difficult problems to be solved, problems of solidarity, of people who are the most tragic victims of the societies in which we live. When the problems affecting them are not properly resolved, there are those who may be tempted to become their armed spokesmen, standing up for such victims, for society's misfits. I'm thinking of the status of immigrant workers in France prior to 10 May and situations of that kind.

The abduction of a NATO general, in a climate of pacifist demonstrations in Europe, shows that national and international situations serve to nurture each other. "Better red than dead," the German pacifists say, but the Polish "Red" today wears the grayish uniform of the militia. In a development similar to that of the

Baader-Meinhof group, in attacking NATO, the Red Brigades make "policy" on a map of the world divided into two hemispheres, on which Europe has become a crucial point.

France's situation is delicate, because the split between the right and far right of the opposition, a split which was obvious at the time of the Liberation and the OAS [Secret Army Organization], has closed again with the reinstatement of former extremists in the UDF [French Democratic Union] and the activism of SAC-type networks.

France exists in a Europe which no longer knows the serenity of detente: People are dying for freedom in Poland, which has been turned into a labor camp.

If the fires of violence should be kindled somewhere, there are sufficient--national and international--political interests for attempting to turn them into major conflagrations.

11915
CSO: 3100/321

ENERGY SUPPLY, SAVINGS POSSIBILITIES VIEWED

Vienna PROFIL in German 15 Feb 82 pp 24-25

[Article by F.G. Hanke: "Energy Concept Sought"]

[Text] The energy situation is not dramatic. Nevertheless, energy waste must be brought to an end.

Bruno Kreisky wants to enlighten the Austrians. Here the danger of obfuscation is obvious, all the more so when the chancellor's enlightenment campaign concerns Zwentendorf: Supposedly only the startup of this nuclear power station and the construction of "a few more" nuclear reactors can prevent an energy collapse.

Now one can argue at length about whether nuclear energy is a safe form of energy. However, the thesis that Zwentendorf must be put into operation, for otherwise we shall collapse, is wrong. This is true only if the government pursues the same energy-squandering policy in the future as in the past. Should it do this, even "a few more" nuclear reactors will not help; it is impossible to construct a sufficient number of nuclear power stations to maintain the present economics of growth.

As early as 1972, the Club of Rome drew attention to these "boundaries of growth" insistently. However, only under the impression of the "oil shock" in the fall of 1973 did the "total energy consumption" of Austria decline temporarily: It fell by 2.5 percent in 1974 and the same in 1975, after having doubled within the previous 14 years (average annual growth rate 5.2 percent).

Starting in 1975, energy consumption again went up markedly, being the Siamese twin of artificial economic growth. This growth was created by government's heedless plunge into debt, which not least manifested itself in entirely unnecessary, monstrous edifices. These in turn mindlessly squandered energy.

A growth in the gross domestic product (BIP), averaging 4.1 percent between 1975 and 1976 [as published], corresponded to an average increase in energy consumption of 3.6 percent. In absolute figures: from 184 TWh (1 terawatt-hour=1 billion kilowatt-hours) in 1975 to 212 TWh in 1979.

To cover this increased consumption of approximately 28 TWh without additional imports of petroleum and natural gas, seven nuclear power stations of the

Zwentendorf type would have been required. This means that even if Zwentendorf had been inaugurated, it would have covered only one-seventh of this increased requirement bred by the growth policy.

Because of this growth policy, Austria today requires more from the energy world market than 5 years ago. At that time the Alpine republic imported 6 million metric tons of petroleum. In 1979, the figure was 8.8 million, 47 percent more. At the price of 2,000 shillings per metric ton at that time, this resulted in increased costs of 5.6 billion shillings as compared with 1975.

Natural gas consumption rose by 64 percent from 1975 to 1979.

The costs of energy imports, which shot up to 33.4 billion shillings in 1979, are thus due not only to the rapid increase in energy prices but at least as much to the additional consumption of 28 TWh (gross additional consumption of about 37 TWh).

In 1980, energy consumption again decreased slightly (by about 1 percent). In 1981, according to estimates available up to now, it will have shrunk by 3-4 percent.

In general it is assumed that this is due above all to the "second oil price shock." In fact, energy costs again rose exorbitantly in 1980, partly due to new price increases by suppliers, partly because of the considerable rise in the dollar exchange rate.

In 1980 Austria had to pay about 49 billion shillings for its energy imports, as compared with 33.4 billion in 1979. This is an increase of 50 percent, or in absolute terms of 15.6 billion shillings.

The increased energy prices have surely brought about increased economy in the direct consumption of gasoline, heating oil and gas. This consumption decrease can, however, not have been sufficient to strangle the boom as is always claimed. This is because, in relation to the BIP, the increased price of energy is not sufficient despite its absolute amount.

The latest "break in the boom" has an entirely different reason: Apart from Sweden, apparently no industrial country in the world dares any longer to expand the annual budget deficit at the rate of increase up to now. Kreisky and his team cannot afford to be an exception to this. However, without constant escalation of government squandering, the decisive drive for further economic growth is absent. All economic researchers, therefore, forecast growth rates for the coming years of only zero percent.

The supposed "crisis susceptibility" of our energy supply cannot be explained by the source of energy imports either. In 1980 Austria's total energy supply was made up as follows:

32.34 percent from domestic production (petroleum, gas, electricity from water power)

12.51 percent imports from the OECD area

24.20 percent imports from Eastern Europe

30.94 percent imports from developing countries (including chiefly OPEC countries).

A closer analysis of the "dependency on the East" shows the following components of Austria's total energy supply:

5.11 percent coal (Poland)

10.84 percent petroleum (USSR)

7.86 percent natural gas (USSR)

0.41 percent electricity (from the Ostverbund [Eastern Association]).

In the event of a supply interruption by the East, only "shutting off the gas cock" would be particularly annoying because no immediate replacement could be obtained for gas, as it could for coal and petroleum. Since, however, Soviet gas covers the total energy consumption to the extent of only 8 percent, an interruption would in no way cause an "energy collapse."

Particularly not if there were finally to be genuine crisis planning instead of constant scrapping about straws such as Zwentendorf and additional nuclear power stations.

Above all, however, crisis susceptibility can be reduced if a gradual, step-by-step reduction of energy consumption is planned.

The fact that it is possible to make do with considerably less energy without in any way worsening the quality of life is proved by recent history: In 1947 many people were cold. Then, to be sure, only 18.2 percent of the present amount of energy was consumed. In 1955, however, no one was cold any more and only 37.5 percent of the present quantity was used. At that time Austria was almost self-sufficient in the energy area: Almost the entire energy supply came from domestic production. In 1960, with 48 percent of today's energy consumption, people lived very comfortably. By 1970, with 78.7 percent of today's energy consumption, the switchover to squandering became apparent.

Energy consumption statistics which break down the total final consumption show where energy savings can be made:

--22.6 percent is used in road traffic for motor fuels alone. What energy is consumed indirectly above this figure due to road traffic cannot be obtained from any statistics: energy for repairs, for hospitalization of the more than 50,000 accident victims per year, for secondary residences of all those who are able to escape from the traffic hells of our cities, etc.

--2.0 percent for other traffic (railroads, street and underground railways, air traffic, etc.).

--33.2 percent is consumed by industry.

--42.1 percent is assigned to small consumers, including 35 percent for private households, where the lion's share is used for heating.

In the energy consumption of industry, the high consumption for the production of steel and nonferrous metals is glaring. It constitutes 12.5 percent of the total energy consumption. (Aluminum accounts for only 0.7 percent.) Especially surprising here is the faulty relation between energy consumption and use of labor. Only 2.3 percent of all workers in Austria are occupied in connection with this giant energy consumption. The land and forest economies serve as a contrast to this. Here, 14.1 percent of all workers are active, but only 4.54 percent of the total energy is used (in addition, perhaps, also 2 percent of the total energy for the production of fertilizers and other chemicals).

Conservation possibilities in the production of low-temperature heat for space and water heating are by no means exhausted. At this time about 40 percent of the total energy consumption (private households, industries, trades, public facilities) is used for this. Economies are possible here through heat storage, and above all by the rapid extension of long-distance heat grids based on the coupling of power and heat (utilization of waste heat from electric power stations), of trash incineration and industrial waste heat.

By proceeding intelligently, it may be possible by the year 2000 to reduce Austria's total energy consumption to half of the present level--and with tremendous improvement of the quality of life.

It is even thinkable that far-reaching self-sufficiency in energy consumption can be achieved. This is true as well because of amply available water power: in 1980 it supplied 29 TWh of electric power--or almost 8 TWh more than in 1970 (the increase thus being two "Zwentendorfs").

An excess can already be seen in electric energy today:

Whereas the import of electric current stays at about the level of 3 TWh, exports rose from less than 5 TWh in 1973 to more than 7 TWh in 1980. Of course, there are fluctuations because of variations in water supply, but the trend is clearly in the direction of an export surplus.

Here we must in no way "squander" our electric power abroad. For the export surplus of about 2 TWh, we received the princely sum of 2.1 billion shillings in 1980.

5586
CSO: 3103/298

DEMAND FOR ALTERNATIVE ENERGY SOURCES DROPS

Bonn VORWAERTS in German 4 Feb 82 p 22

[Article by Martin Kessler: "Goodbye, Solar Collectors; Electricity Companies Are Getting Out of Solar Technology"]

[Text] German industry is withdrawing from the business of alternative energies for lack of demand.

As recently as 1979, at the Hannover fair, the sun was still shining on solar collectors and heat pumps. Experts of the big electricity companies predicted a great future for alternative energy technology.

However, just 3 years later the picture has changed completely. While in the first half of 1980 the electricity giant in Mannheim, Brown, Boveri & Co. (BBC), was still selling 100 collectors per day, the figure in the following half year was only 10. Of 80,000 heat pumps projected for 1980, only 25,000 were produced because of lack of demand. According to BBC Management Board member Hans Freilaender: "The market literally fell apart overnight."

BBC now took the lead in drawing conclusions from this debacle. It announced it was getting out of alternative technology. Personnel in the solar and heat pump area were reduced to one-seventh and mass production was stopped. Says Management Board member Freilaender: "For us, alternative energy technology is dead for the time being."

Only 5 years ago the planning was quite different. At that time the Mannheim electricity company introduced its first collector installations to the market. Soon BBC was working two shifts.

It was planned to supply 60-70 percent of the hot water consumption of FRG households by means of solar collectors. Heat pumps which draw their energy from the earth were to replace up to 80 percent of the heating supply used up to then. A total of 20 million marks were invested by BBC in its ambitious program.

"Now that the premises for mass production have been created, there is a lack of demand," BBC complains. During the oil crisis consumer interest was still great. Today households are reluctant to install expensive solar collector and heat pump installations.

Freilaender: "The installations pay out only after 8-9 years, and people do not plan that far ahead." To be sure, industrialists had expected more support from the government.

The falling oil and gas prices as well as the present glut in fossil energy supplies further lowered demand for alternative heating installations. Therefore, like BBC, other big companies want to get out of this area of energy production. Thus, for instance, the Stiebel-Eltron electricity company switched production at its collector factory in Austria completely to other technical equipment.

Of course, at the alternative Economics Institute in Freiburg, alternative energy technology is far from finished. Uwe Fritzsche, a physicist at the institute, reproaches BBC management with having invested in the wrong installations: "BBC products are simply too expensive to be amortised inside of a lifetime."

Moreover, the installations developed by BBC and others are operated with electric power. This means: Away from oil, but not away from nuclear energy. "In the meantime, it is possible for a homeowner to install solar installations much more economically," Fritzsche declares. The solar cells required for this purpose, according to Fritzsche, are produced in the United States and by AEG [Allgemeine Elektricitäts Gesellschaft, General Electric Co.] and are being developed further.

Also, there are heat pumps which are not operated by electric power. According to the Economics Institute people, these have prospects of success because they are more economical than electric-motor-driven pumps. "From this point of view, we're not even sorry about BBC's getting out of the business," Fritzsche declared.

5586
CSO: 3103/299

NORTH SEA OIL IMPORTS IN SECOND PLACE

Duesseldorf VDI NACHRICHTEN in German 29 Jan 82 p 2

[Text] Almost every fourth metric ton of crude oil which the FRG has imported since 1981 came from the North Sea. Thus, this young petroleum area just outside Europe's front door has become the FRG's second largest petroleum supplier, after Saudi Arabia, and has pushed Libya into third place.

Altogether, from the sea areas of Great Britain, Norway and Denmark, almost 18 million metric tons have been imported and processed in German refineries. On the other hand, the German North Sea area continued not to be able to contribute to the FRG's supply because there, despite years-long efforts and expenditures of about DM 700 million, no economical discoveries have been made so far.

To be sure, this may change in the years ahead, because on the one hand the Wintershall/Texaco Consortium is engaged in developing the central sandbar petroleum deposits in the mud flats off Dithmarschen and Brigitte/Elwerath (Esso/Shell) will start natural gas production in the mouth of the Ems River. Both deposits, although they are offshore, are considered domestic production because they are inside the 3-mile limit. With North Sea oil, increased independence from OPEC countries has been achieved for Western Europe--to be sure, at too high a price. According to information from BP [British Petroleum], it costs up to \$100 to produce one metric ton of North Sea oil today--more than 10 times as much as in the Near East.

For instance, about DM 4.5 billion must be invested for a drilling platform in the northern North Sea--as much as 300,000 VW Golfs [Rabbits] or 12,000 single-family houses cost. Altogether, up to now, more has been invested for oil and gas development in the North Sea than for the "Apollo" project (more than DM 100 billion) which put the first men on the moon. Thus, 3 billion metric tons of oil and 3,000 billion cubic meters of natural gas were opened up. Experts assess prospects for further discoveries with optimism. Shell, together with Norwegian companies, has come upon a natural gas deposit which is said to correspond in size to the largest gas discovery in Europe to date--the Dutch Groningen.

However, the oil industry views with concern the high tax load which endangers the economics of additional investment in the North Sea and has already put into doubt the utilization of smaller fields already discovered. The situation has already led smaller companies to withdraw from the North Sea oil adventure.

5586
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LARGE NATURAL GAS RESERVES IN SOEHLINGEN

Duesseldorf VDI NACHRICHTEN in German 22 Jan 82 p 1

[Article by W. Philipp: "Important Natural Gas Discoveries at Soehlingen; Test Borings Lead to Expectation of 40-60 Billion Cubic Meters of Reserves"]

[Text] For nearly 2 years, test borings for natural gas have been carried out at Soehlingen by the BEB [Brigitta & Elwerath Managing Co.] /Mobil Oil/Texaco and Wintershall Consortium; Soehlingen is approximately in the geometric center of the triangle formed by the cities of Hamburg, Bremen and Celle. It is assumed that natural gas reserves on an order of the magnitude of 40-60 billion cubic meters are to be expected in the Soehlingen area.

The first development boring done in this area, Soehlingen Z1, made a strike in spring 1980. In the course of this, several gas-carrying horizons were found in the Lower Permian between 4,600 and 4,900 meters. A surprise to the geologists was above all the fact that at this depth they encountered a 190-meter-thick sandstone layer sufficiently porous to store natural gas. Finally, a production test yielded a gas flow rate of 30,000 cubic meters per hour. This capacity led at first to euphoric estimates of 60-80 billion cubic meters for the total reserves of the Soehlingen natural gas field. However, despite the encouraging result, it was clear even at that time that reliable statements on the economics of the discovery could only be made after further borings.

The Soehlingen Z2 extension boring, sunk last year, also reached a final horizon in the Lower Permian. Moreover, the extent of the gas-carrying layer in the northwest direction, at depths of 4,952 to 4,989 meters, was confirmed. During the production test for this boring, which is barely 2 kilometers from the Soehlingen Z1 development boring, natural gas flowed at a rate of 30,000 cubic meters per hour and a pressure of 450 bars.

Toward the end of last year, the planned Soehlingen Z3 extension boring was carried out 1,800 meters north of discovery boring Z1. Final figures on the gas flow rate of these borings are not yet available. A so-called fracturing post treatment, in which the gas-carrying rock is fractured underground to facilitate the outflow of the gas, is to yield information at a later time. The Soehlingen Z3 boring has supplied additional knowledge of the extent and volume of the

extractable quantities, which according to present estimates are near 40-60 billion cubic meters and are to be extracted over a period of approximately 20 years. It is hoped that an annual production of approximately 3 billion cubic meters will be reached by the beginning of 1984. This corresponds to 5 percent of the total German consumption of natural gas in 1981, or about 15 percent of Germany's annual natural gas production, which at this time is 18-20 billion cubic meters. Thus, according to Dr G. Mathiesen of Mobil Oil, AG [Inc], Soehlingen is "one of the largest natural gas fields in the Federal Republic."

Costs of the three borings carried out so far, including further treatment installations as well as other equipment, amount to approximately DM 50 million. A further fourth boring is under consideration.

On the premise that estimated total reserves in the Soehlingen natural gas field will amount to a maximum of 60 billion cubic meters, these reserves would have a production value of approximately DM 18 billion--based on the import price for natural gas of DM 0.3 per cubic meter which is valid at present. The expectations occasionally expressed for improved boring techniques and thus for the extraction of natural gas from depths below 5,000 meters should, at least under present conditions, be limited by the increased costs characteristic of such projects.

5586

CSO: 3103/299

METEOROLOGICAL EXPERT VIEWS PROBLEMS OF ARCTIC DRILLING

Oslo AFTENPOSTEN in Norwegian 26 Feb 82 p 4

[Article by Rolf L. Larsen]

[Text] During oil drilling north of the 62nd parallel conditions often can become so serious that both work and rescue missions become impossible. "So-called 'polar turbulence' can create extreme weather conditions in these ocean areas. The turbulence causes a rapid increase in wind velocity, sudden temperature drop, and extremely rapid increase in the size of waves, and heavy snow storms in which visibility can be reduced to 50 meters or less," the leader of the Environmental Data Center of the Meteorological Institute, researcher Jan Aske Borresen told AFTENPOSTEN.

The Environmental Data Center is part of the Climate Section of the Meteorological Institute and its task is to chart the climate on the continental shelf. The center is participating in the work conducted by the Oil Directorate and the Navigation Directorate for supervising the safety of fixed and floating oil platforms on the shelf.

Borresen said that conditions in the Norwegian Sea and the entire Barents Sea have many similarities with the climate in the Newfoundland region. It was on the background of the catastrophe involving the Odeco Ocean Ranger platform off Newfoundland on 15 February that AFTENPOSTEN asked about the similarities between the two regions.

"The climate in both these regions must be considered among the most difficult at sea in which to work. The wind and waves are especially similar in these two regions. Near Newfoundland the edge of the ice is never far away so that, unlike conditions in our northern waters, there is a cold stream there--the Labrador Stream. There is also fog large portions of the year. In the regions around Newfoundland, about 45 degrees north, the days are longer than in our northern ocean regions. The "polar turbulence" can create especially dangerous situations in our waters north of the 62nd parallel. This turbulence is extremely difficult to predict. First of all, in some cases it is difficult to tell if it exists and even if it is localized its movement is difficult to determine," Borresen said.

For this reason, he believes that more research should be done to understand

these weather conditions better and if year-round drilling begins in the north the Meteorological Institute in Tromso should issue warnings about such weather situations. The Meteorological Institute has received funds from the Norwegian operators Saga, Hydro, and Statoil to set out 10 buoys in these ocean regions. The buoys measure pressure and temperature in order to issue warnings about these special weather conditions more effectively. The reports are sent directly via satellite to the Meteorological Institute in Oslo.

"Several accidents already have occurred that can be related to special weather conditions along the coast. From 1970 to 1979 26 fishing boats sank along the coast. Several of these were large ships, over 500 tons and 70 meters long. In these accidents 72 people died. Investigations showed that about half these accidents occurred as a result of large and sudden waves that affected the stability of the ships, causing them to capsize. About half the remaining sunken boats went down suddenly without even transmitting a distress signal."

"Many of these accidents occurred during a sudden climatic phenomenon, probably 'polar turbulence.' Another possible explanation is icing in combination with low temperatures and strong waves.

9336
CSO: 3108/69

REGIONALIZATION OF ECONOMY GAINING SUPPORT

Brussels LE SOIR in French 4 Mar 82 p 2

[Article by J. Cl. and G. Dt.: "A Political Majority Is Taking Shape in Favor of Radical Regionalization of the Economy"]

[Text] A constantly growing movement is arising in Belgium in favor of regionalization of the five economic sectors that are still national (steel, coal-mining, textiles, glassware, shipbuilding and ship repair).

With the Socialist Party, the CVP [Christian People's Party] is expected to declare resolutely in favor of this regionalization on the occasion of its next congress, on 13 March.

There will then be a majority in the country in favor of it. The PRL [Party of Liberty and Reform] and the PSC [Christian Social Party] have both "agreed to talk about it."

It remains to be seen, of course, under which conditions this regionalization will be carried out. The big problem will be its financing. The CVP is calling for financial responsibility on the part of the regions.

The financing would be done by restoring to the regions the national taxes that can be localized, whereas the PS [Socialist Party] seems rather favorable to a system of endowments from the central government. But in such cases, by what standard?

The CVP's turnaround is nonetheless significant. It notes that there is no longer any way to maintain the present system, in which each community considers it is being fleeced by the other. The problems of the steel industry are typical in this regard. Flanders rakes the Walloon steel industry over the coals, while the PSC and the PRL stick resolutely to the agreement of 15 May last. To take a contrary position would be suicidal in the face of a Socialist Party in opposition. Regionalization of the steel industry would become the only way to tie all the political parties into the operation to save the steel industry.

Last Monday, the CVP office set up a working group assigned to study the regionalization of the five national sectors. Van Romuy, the president of the CVP Youth, will present to the next party congress, on 13 March, a proposed resolution in this sense, and it will almost certainly be approved. The CVP is thus applying the lessons of its election setback of last 8 November, when it "tragically" underestimated the deep-running Flemish movement in favor of greater economic autonomy.

Two ways are theoretically possible for ensuring this regionalization: a two-thirds majority vote in the Parliament, or a simple royal decree with the agreement of the regional executives. This latter hypothesis is the more likely one.

The question of the financial means ther remains. For the CVP, the question is simple. A part of the "localizable" national taxes could simply be handed back to the regions. Each region would then be responsible for what it wants to do with "its taxes"--to aid certain enterprises that are in trouble or to start up new ones. But it will also be necessary to fix the percentage of these national taxes that would be rebated. Excessive withdrawal would drain away the central government's resources.

The PRL Ready To Negotiate

Very surprisingly, the PRL is prepared to dicuss this regionalization--but, its president, Louis Michel, specifies, "on condition that there be complete equivalency in the resources that would be granted to the regions." He asks in particular all light be thrown beforehand on the aid granted to the regions by the central government.

Would this regionalization be done by endowments or by taxation specifically for the purpose? Mr Michel refuses to reply for the time being. Does he want to put the steel-industry question back into the hands of the Socialists? "I want to develop a coherent approach that would be independent of the ukases of the PS." But he adds: "The attitude of the PS goes beyond the limits of the tolerable. It has been out of participation in the government for many years, without having found the slightest beginning of a solution for the steel industry. And today it is lecturing everyone. It is profiting from the distress of the workers."

With What Money?

And the PSC? Questioned on this subject, the party's president, Gerard Deprez, said he was "not surprised" by the CVP's initiative, and stated that the question was under study in his party also. Nevertheless, he issued a warning to the north of the country: "It should not be imagined that the moment has come to carry out an economic 'Walloon get out'; on the contrary, everyone should understand that the negotiation will be tough."

Mr Deprez declared further that regionalization of the five sectors that are still national did not seem to him either a miracle solution or a catastrophe, and that as regards the steel industry, this possible regionalization would not at all change the fact that the European Community would still, and always, have to be reckoned with.

He therefore has the conviction that this negotiation on regionalization of the steel industry and the four national economic sectors is inevitable. And that it will be difficult. Wouldn't he also be happy to note that the steel-industry question could soon ruin the sleep of the Walloon regional executive, three of whose six members are Socialists?

For its part, the Socialist Party, which had written this regionalization into its election platform, can only, of course, applaud the initiative by the Flemish Social

Christians. The "everyone master in his own place" philosophy recently enunciated by its president, Spitaels, is on the march. And the Socialists do not seem unhappy about seeing themselves "followed" by the Flemish Christians. Or fearful of perhaps finding themselves with a cumbersome steel-industry file on their hands.

The other opposition parties, except, doubtlessly, the UDRT [Democratic Union for the Respect of Work], should support the same position.

Since no one is opposed to this evolution, can the five sectors that are still national be expected to be regionalized in a short time? One should not misapprehend the practical difficulty of the matter: in order for the regions to take on sponsorship of the steel industry, coal-mining and all the rest from now on, they have to have sizable sums available. Where will they come from? Will they involve endowments from the central government, such as the French-speaking Socialists in particular seem to hope for? The Flemish would have to reject this formula outright and demand, as was seen above, that the supplementary sums granted to the regions come from reimbursement of a part of the taxes paid by the citizens of the various regions.

Even if this latter formula is accepted by the French-speakers, the discussion about the percentage of taxes reimbursed will surely be intense, and even painful.

The evolution has started--no question of it. But it is totally premature to predict when it will reach its goal.

11267
CSO: 3100/402

OFFICIAL DISCUSSES PROBLEMS IN BALANCING TRADE WITH USSR

Helsinki HELSINGIN SANOMAT in Finnish 19 Feb 82 p 24

[Article: "Export Quotas Cannot be Exceeded"]

[Text] "Unfortunately, we must now make certain that exports do not exceed the amount agreed upon in our exports to the Soviet Union. The quotas must not be exceeded in all areas of industry," states Trade Policy Under State Secretary Ake Wihtol. There are no other means for balancing trade with the Soviet Union except to reduce exports, which will hurt domestic industry.

This year Finland's exports to the Soviet Union will be approximately 4 billion markkas greater than imports. The credit limit allowed by the commodity exchange schedule is only 900 million markkas. Foreign trade officials from both countries will meet in April to negotiate the situation.

"We are now studying how imports can be increased above the amounts agreed upon in the agreement. The answers will come little by little," states Wihtol.

However, there are no magic formulas for balancing this trade. The first measure to alleviate the situation will be strict restraints in export quotas. This measure will hurt the labor-intensive textile industry, which has complained the most about its difficulties.

"Exports to the Soviet Union in certain areas of consumer goods have increased approximately 100 percent in each of the last 2 years. It is understandable that this cannot continue," states Wihtol. Increasing imports is another means of alleviating the situation, but the possibilities for this are few. Wihtol states that, for example, there are no great opportunities for increasing oil imports even in the Soviet Union.

"On the other hand, complete dependence on the Soviet Union alone in the oil markets does not seem to be reasonable. We also have export interests in the Middle East where the oil trade acts as an impetus for our exports," explains Wihtol.

Placing Soviet trade on a currency basis is a theoretical alternative according to Wihtol. This would not be new for the Soviet Union even though clearing-trade has received ever increasing support on the other side according to the Finns.

Wihtol believes that the Soviet Union has sufficient uses for its currency reserves in places other than Finland so that even a gradual transition to this system would take time.

"Other means must be researched first. One possibility is the purchasing of a guarantee reserve, but quantitatively speaking it will not help much," states Wihtol.

According to Under State Secretary Ake Wihtol adjusting the payment schedules of firms involved in this trade is being considered as one way of alleviating the situation. "But even this is still only one of those possible means," warns Wihtol.

Adjustments will also be made to correspond to the reality of the 5-year agreement for the years 1981--85 in the negotiations to be conducted in April. The agreement, which is serving as a guideline, has become quite small compared to the trade that is actually taking place. Wihtol will not even consent to estimate the real value of the agreement.

Adjustments in Domestic Level of Products

Since a stricter line will have to be adhered to with respect to export quotas in trade with the Soviet Union, the domestic level of products manufactured by Finnish firms will be subjected to stricter observation. Products with the highest degree of foreign contribution will be eliminated first according to the Licensing Office.

The question concerning the domestic level of production is not straightforward. "The rule of thumb has been approximately an 80-percent domestic level, but some flexibility has been allowed in new products in which there is reason to believe a greater degree of domestic contribution will be achieved in the future," emphasizes Wihtol.

The domestic level problem also relates to the fact that within certain large projects the exporting of foreign goods has been allowed within the framework of certain limits. The establishment of limits has always been a question of definition.

Section Chief Pauli Opas cites an example from the metal and machine shop industry, in which the proportion of the foreign contribution has risen over the years from approximately 10 percent in the 1950's to a present level of 20--25 percent.

10576
CSO: 3107/76

MATRA SPACE BRANCH CHIEF DISCUSSES RECENT LOSSES, GOALS

Paris AVIATION MAGAZINE INTERNATIONAL in French 1-14 Feb 82 p 17

[Interview by Patrice Prevot with Georges Estibal, assistant director of MATRA space division; date and place not specified]

[Text] [Question] Two years ago at MATRA [Mechanics, Aviation and Traction Company], the project director of the Telecom 1 program, there was a certain amount of optimism concerning the prospects for sales of telecommunications satellites. But now two of the markets which were important to you (the Arab and Australian markets) are out of reach. The French Government has also asked you to withdraw from the Brazilian market (see AVIATION MAGAZINE INTERNATIONAL No 816, p 15). The outlook for the future of MATRA's space division therefore does not appear very favorable. What is your opinion?

[Answer] Actually, 2 years ago our goal was to export 5 to 7 programs for telecommunications satellites in the 1980's. And despite recent setbacks, this is still a viable goal. Because we still hope to export the ECS [expansion unknown] Telecom 1 system.

That's why it is not totally correct to say that the future of MATRA's space division looks dark, especially since telecommunications operations represent only one part (20 percent) of our entire space operations. In fact, I will also point out that we are a participant in the Ariane program, that we are also a participant, with a major role, in earth observation programs such as SPOT [Earth Observation Probe System], ERS-1 [expansion unknown], SAMRO [Military Optical Reconnaissance Satellite] ... and that we are also involved in several scientific programs

[Question] What are the reasons for those setbacks you mentioned?

[Answer] In the case of Australia (AUSSAT), for example, it must be acknowledged that the product which we offered was not perfectly suited to the Australian mission: A relatively major modification of the ECS Telecom 1 product was actually required to adapt it to that market. But we knew that we were taking a very big risk. For two reasons: The product, such as it was designed, did not have the credibility of ECS or Telecom 1; the necessary modifications resulted in the application of one-time costs which had to be included in the proposal. I really believe that the product which we offered arrived on the market 1 year too soon

As for the Arab market (ARABSAT), we were only marginally involved in that operation (at 15 percent of the turnover); the project director is British Aerospace. But it is true that this was still an indirect setback for our company.

[Question] But in the case of the Brazilian market (BRASILSAT), the French Government has asked you outright not to get involved and to thus leave the field open to AEROSPATIALE [National Industrial Aerospace Company], which is in partnership with Ford. What was your reaction to that decision?

[Answer] The company's reaction to that decision was very resentful. First, because we had made a big effort to obtain that market in 1975. Secondly, because we felt that the Brazilian mission, which had recently been defined, corresponded perfectly to the Telecom 1 product.

Thus it was a decision fraught with adverse consequences: It actually came at a critical time in the selection stage of the Australian program. And that hurt us a lot: In fact, we had to justify the reasons for our failure in Brazil to the Australian authorities.

Nevertheless, if the government is concerned with developing the Euro-American system (AEROSPATIALE-Ford agreement), I feel that it also intends to continue to develop the European system (MATRA-British Aerospace team)

[Question] You obviously invested a good deal to get into these markets. It is even possible to speak of outright losses. Aren't you going to be faced with serious financial difficulties in preparing to enter markets in the future?

[Answer] In preparing to enter those markets, the greatest investment effort concerned the construction of our Toulouse center (150 to 200 million francs when it is completely finished). We have therefore acquired industrial resources enabling us to incorporate earth observation and telecommunications satellites under profitable conditions.

Thus the investments still to be made will mainly concern the resubmission of proposals in response to requests for bids--which is always expensive--and improving our product. And I believe that in view of the size of our operations (1982 turnover: 700 MF [million francs]; goal: 900 MF in 1982 and 1 billion in 1983), we will be able to complete that investment effort.

One further detail: It is difficult to speak of outright losses with these kinds of setbacks. Thus for example, besides the fact that we wanted to get into the Australian market in order to realize our export ambitions, a portion of the investment made in that market will have important spin-offs for improving the Telecom 1 family.

[Question] Actually, and still in the area of telecommunications, the deadlines for future markets are more or less remote and seem uncertain. Therefore, how will you achieve the goal of exporting 5 to 7 programs, which you have set for yourselves between now and 1990?

[Answer] Overall, we have identified about 30 programs which should emerge between now and the end of the decade for satellites of the one-half Ariane 3 type or one-third Ariane 4 type, thus corresponding to the ECS Telecom 1 system.

In fact, the first market is the European market, in which we have identified a minimum of 5 to 6 programs. Then there is the South American market (5 programs identified). Then the markets of Africa, the Near and Middle East, Southeast Asia We therefore consider our goal, which actually corresponds to 20 or 25 percent of that total market, to be realistic in spite of our recent setbacks.

[Question] With Telecom 1, France aimed at exporting a whole technology. Don't you think, with a certain amount of setbacks, that the specificity of this product, which derived from a strictly national need, has resulted in a system that is difficult to export, even if it can be more or less adapted as required?

[Answer] Actually, there are both favorable and unfavorable aspects. Certainly, the specifications imposed, either by the customer or by the particular limitations of the product itself, make this product "overspecified" for export. This means that some functions introduced in the satellites could be simplified or even eliminated. In fact, this has an effect on prices when we submit proposals.

On the other hand, this product, which was ordered, let's remember, by the DGT [expansion unknown], will constitute in 1983, when it goes into service, a large boost for exportation, since we will be able to present an operational system to our potential customers.

[Question] Telecom 1, a boost for exportation: yes. But in the meantime, will your production plans be adequate?

[Answer] I would remind you that in the field of telecommunications, and this is apart from exportation itself, MATRA is not only the Telecom 1 project director, but also joint project director of the European ECS program (responsibility for incorporation of 5 satellites). We are also involved in the Marecs program and in the Skynet program, which is a British military program.

Outside of exports, therefore, we have a large telecommunications operation. And I will say that in Europe we are certainly the only company involved in this field to such an extent, since in all, today we have--for the type of operations in which we are involved--5 ECS, 2 Marecs, 3 Telecom 1 and 2 Skynet satellites in production at our plant or in our production plans.

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SLOW DEVALUATION OF PESETA EXPECTED IN NEXT FEW MONTHS

Madrid EL PAIS in Spanish 3 Mar 82 p 47

[Text] The increase in the inflation differential between Spain and other industrialized countries, which has grown worse since September 1981, will tend to further devalue the peseta over the next few months in relation to other currencies, and especially in relation to the dollar, according to monetary experts in the private banking field. This devaluation should favor the recovery of Spain's share of the foreign market, lost during 1981 because Spain's products were not competitive. The president of the AEB [Spanish Private Bankers Association], Rafael Termes, has estimated that in order to maintain our share of the market in 1981, we would have had to export an additional \$1.8 billion of goods. Official sources have rejected the AEB data on the supposed loss of our market share (see chart on next page), terming these data incorrect.

The importance of this debate about whether or not Spain is losing its share of the foreign market does not reside in a quibbling sort of discussion between technocrats about the interpretation of figures, but it is actually an essential issue, according to the monetary specialists, because on it depends the validity of our present economic policy and very particularly, the validity of our exchange rate policy, as well as the determination of our priorities in combating inflation or unemployment.

Some private banking experts feel that "if the Bank of Spain would let the Spanish currency float more freely, within a few months the rate would be 130 pesetas to the dollar." This adjustment because of devaluation and imported inflation may be contrasted with our present policy of support for the peseta, by keeping the rate fixed in order not to increase domestic inflation by means of imports, even though the situation of the exchange rate may not reflect the true status of our economy.

EVOLUCION DE LA CUOTA DE MERCADO DE LAS EXPORTACIONES
 (miles de millones de dólares)

	(1) Paises Industrializados	(2) Espana	Cuota (3) % (1)
1976	633,2	8,7	1,38
1977	718,5	10,2	1,42
1978	861,6	13,1	1,52
1979	1.057,2	18,2	1,72
1980	1.243,9	20,7	1,67
1981			
Enero	6	93,7	1,2
Febrero	7	98,1	1,5
Marzo	8	110,9	1,6
Abril	9	106,0	1,5
Mayo	10	99,7	1,49
Junio	11	103,6	1,8
Julio	12	100,0	2,2
Agosto	13	85,2	1,5
Septiembre	14	99,5 (p)	1,3
Octubre	15	106,8 (p)	1,6
Noviembre	16	112,0 (p)	1,8
			1,60

(1) Porcentaje anual o en base a cifras acumuladas en el año. (4)

(p) Preliminar.

Fuente: FMI, International financial statistics y Direction of trade. Informe sobre evolución monetaria de la Asociación Española de Banca Privada.

Trends in the Market Share of Spain's Exports (in billions of dollars)

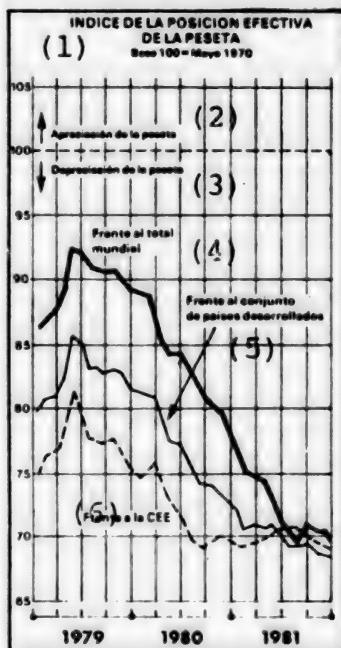
Key:

1. Industrialized countries
2. Spain
3. Share (percentage)
4. Annual percentage, or based on cumulative figures throughout the year
5. Preliminary
6. January
7. February
8. March
9. April
10. May
11. June
12. July
13. August
14. September
15. October
16. November

Source: IMF (International Monetary Fund), International Financial Statistics, and Direction of Trade, Report on monetary trends of the AEB.

Among the critics and defenders of both positions, there are also some eclectic positions, supporting a combination of devaluation with domestic salary moderation in order to improve the prices of our products, so we can recover our share of the foreign market, which has supposedly been lost during the last 2 years.

Nonetheless, according to the position taken by the National Employment Agreement, which sets a range of salary increase between 9 and 11 percent, "it might be foolhardy, from the point of view of labor peace, to let the peseta float freely, thus bringing about a strong devaluation of 20 percent to 30 percent." Official sources, however, deny that such a devaluation would occur in case of a purely free float of the peseta.



Key:

1. Index showing the actual position of the peseta
(base 100: May 1970)
2. Appreciation of the peseta
3. Depreciation of the peseta
4. In relation to the entire world
5. In relation to the currencies of all developed nations
6. In relation to the EEC

A 30 Percent Devaluation, and 7 Percent Inflation Rate

Allowing the peseta to float freely would make our products more competitive abroad, thus helping us to recover lost markets, claim the advocates of this step, but it would have a striking impact on our domestic prices, amounting to a 6 to 7 percent increase within the period of a few months, because imports would become more expensive, especially petroleum imports, as would the financial costs of businesses with foreign debts.

The decline in purchasing power of Spanish salaries would be brutal and immediate, and the workers, who have reached agreements with the ANE [National Employment Agreement] for moderate wage increases, would raise a tremendous outcry.

The other way to make Spain's products competitive and to recover our share of the foreign market which has allegedly been lost, by containing the decline of the peseta, may focus on reducing domestic production costs (labor, financial, energy costs, etc.).

The AEB's Report on Monetary Trends states that "in all clarity, export trends in 1981 are still far from favorable, inasmuch as the loss of our share of the market is still continuing."

The president of the AEB, Rafael Termes, in a recent speech given on the occasion of the 100th anniversary of the Bank of Sabadell, said that "the magnitude of the loss of our market share can be appreciated more fully when we realize that if in 1981 we had had the 1.76 percent share we had in 1979, we would have had to export some \$1.8 billion more, which would have meant adding about 180 billion pesetas to the PIB [Gross Domestic Product] for the year. In other words, it would have been as if instead of 12 months of exports in 1981, we had had a 13th month."

Banking Association's President Perplexed

"But we also have to realize," pointed out the president of the bankers' association, "that the effect on the PIB would have been even greater, because the exchange rate necessary to sustain the market share of our exports would have also caused a greater participation of Spanish domestic production in our domestic market, which would have partially replaced imports."

"The fact that the average level of the peseta during 1981 in relation to all the currencies of the geographic region which received 60.9 percent of our exports in 1980 (the Common Market and some other countries) has not undergone any significant variation, while the differential between our inflation and the rate of inflation in these countries has increased, must have a bearing on the loss of our market share for our exports."

The AEB's president is "perplexed" by the fact that we have had such a sizeable loss in our share of the market in terms of exports valued in dollars, while the tonnage of our exports has increased by almost 7 percent (twice the level of world exports).

Rafael Termes's interpretation of this phenomenon is based on two alternative hypotheses or on a combination of the two. One hypothesis is that in 1981 there was a decline in the unit value of our exports in dollars greater than the average of international trade. The other hypothesis is that "export declarations are undervalued," meaning that they are quoted at prices lower than those really paid.

According to Rafael Termes, "if we are to reconcile the simultaneous existence of a loss of our market share in dollars with suitable behavior in the volume of exports, there must be a combination of these two factors."

This undervaluation of declared exports may also conceal a certain uncontrolled drain of capital, since what is not declared is not listed in Spain. In 1981 a larger volume of products was exported (an increase between 7 and 9 percent), but fewer dollars came in (a decline of 2.1 percent).

No Loss in Our Share of the Foreign Market

Sources close to the Bank of Spain say that, despite what the president of the private bankers' association may say, there has been no loss in our share of the export market, but rather that the contrary is true.

Sources at the ministry of the economy insist that exports grew in volume by a minimum of 8 percent in 1981 and that in any event, a greater devaluation of the peseta would have hardly any short-term effect on our exports.

A devaluation now would prevent, according to these government sources, taking advantage of the price declines in raw materials, especially in petroleum. They claim that, even though imports had a moderate growth in 1981 due to the sluggishness of our domestic economic activity, Spain's energy dependence is still extremely high, if it is measured in terms of the exports required to pay for our energy bill.

Avoiding the Real Adjustment

Those who oppose a devaluation of the peseta also point out that with changes in the exchange rate, we avoid making a real adjustment in the Spanish economy, and in their view, such an adjustment necessarily entails reducing costs, especially salary costs. If the peseta is devalued, the only thing that will happen is that we will put several million more pesetas in the pockets of the exporters, who will increase their profits, but not their exports.

With devaluation, the same thing may happen as Milton Friedman says happens with tax increases: they only serve to increase government spending or the level of inefficiency of industry.

This debate about our exchange rate policy has just begun. The surprising thing is that two institutions such as the bankers' association, AEB, and the ministry of the economy disagree about the interpretation of the same data, since the data all come from official sources, either from the Bank of Spain, the National Statistics Institute, or the General Customs Office.

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SPANISH AGRICULTURAL ECONOMIC POTENTIAL FEARED BY EC

Madrid ACTUALIDAD ECONOMICA in Spanish 11 Feb 82 p 29

[Article by Ramon Rodriguez Lavin, from Brussels]

[Text] At the last negotiating session on the admission of Spain to the Common Market, the Spanish delegation presented its position on the key agricultural sector, but we have learned from sources within the Community that for the moment there is no possibility of negotiations on agricultural problems.

After the failure of the reform of the common agrarian policy (PAC) the atmosphere within the Community has remained rarefied. Comments about the bearing this will have on the negotiations with Spain are divided. Some, like Secretary of State Bassols, are of the opinion that the internal problems of the EEC cannot hold back the negotiations with Spain; others, on the contrary, believe that this situation is unfavorable to the extension of the EC to the Iberian Peninsula.

In the opinion handed down by the European Commission with regard to Spain's admission into the Common Market the statement was made: Spanish agriculture's yield per hectare is low. Members of the Community fear that this low productivity could experience an explosion as soon as we enter the Common Market. Then Spanish productive potential would be a heavy financial burden for European agriculture. With this background, it is natural for the Spanish document to start out by reducing to "proper proportions" our agricultural capacity, which is more modest than that estimated by the EEC.

The present occurrences on the borders of the Mediterranean countries corroborates the existence of an agricultural crisis. If to this we add the symptoms of industrial protectionism which are appearing we can better understand what an official of a permanent delegation to the Common Market told us: "This is a difficult time for the EEC. The reform of its budget is the crux of the problem and as long as the common agricultural policy absorbs the greater part of the budget, the EEC will be nothing more than an unfinished building. A common industrial policy is needed in order to complete it. This will not take place until the conflict over the contributions of member countries to the Community budget is resolved. Each country works out its own policy and distrusts any plan for common action."

A subject of disagreement between the member nations will be the determination of the length of the transition period for Spain's entrance into the customs union and for the dismantling of protective tariffs. The Spanish delegation has reiterated its position: the period should be the same for both the agricultural and the industrial sectors. The industrialized nations (Germany, the Benelux countries...) want it to be a short period. The other countries want it to be a long one so that their agriculture may adjust to Spanish competition. It will be a terrible struggle.

The Answer Lies in Iron

The EEC responded to the document on agriculture presented by Spain with an ECSC [European Coal and Steel Community] document. The critical situation in this sector of the EEC makes the subject of excess Spanish production a timely one.

The Community reports in this document that in addition to the earlier condition of introducing the added-value tax (IVA) from the moment of her admission, Spain should adopt a steel policy which is consistent with that of the EC. The compromise on the part of Spain in the application of the IVA will be the deciding factor in the negotiations on the transition period for industrial products.

The EC justifies its insistence on the need to apply the IVA on the basis of the need to establish a healthy competition in the free circulation of goods and services between the EEC and Spain. The Spanish fiscal system, according to the Community, is not completely out in the open and compensations are made which misrepresent trading.

The EEC wants immediate coordination because it fears an invasion of Spanish products the moment Spain joins. An increased capacity in the Common Market would ruin the entire restructuring which the EEC is now carrying out. If Spain does not accept this basis the European Commission could impose quotas on her exports even though Spain were a member of the Common Market.

The Spanish reply to the CECA document requires extensive coordination among the affected ministries. The entrance negotiations are the responsibility of the Ministry of Foreign Affairs; self-limitation of exports is the responsibility of the Ministry of Trade; and crisis prevention and restructuring is the responsibility of the Ministry of Industry. A lack of coordination could have serious consequences for the steel sector, in which disagreements have already appeared.

Among the officials of the EEC comments are being made about the impression that there are misgivings, on the part of the Spaniards, about giving out concrete data and full information for the negotiations. This is creating a certain uneasiness and a fear that is, no doubt, unfounded.

On the other hand, there is progress in the negotiations for the customs union, transportation, harmonization of laws, the right to establish and freely render services, movement of capital, economic and financial questions, and regional policy. The goal of coming to an agreement before the end of March seems possible even though certain obstacles have appeared in regard to Spanish patent laws. As to public opinion, an agreement on these articles would provide a much needed injection of optimism.

INCREASED COST OF OIL IMPORTS RESPONSIBLE FOR 1981 DEFICIT

Madrid ABC in Spanish 13 Feb 82 p 35

[Article by Elias Ramos]

[Text] The 1981 foreign trade deficit amounted to 1.082012 trillion pesetas, ABC has learned. Imports cost 2.9 trillion pesetas, a figure that represents a 21.2 percent increase over the 1980 figure. Spain's total exports amounted to 1.8 trillion pesetas, a 26.5 percent increase over the previous year.

Spain's most expensive item in 1981 was, as usual, oil, of which we imported 45,775,000 tons, costing 1.053950 trillion pesetas. These two figures are extremely significant, as indicated by a comparison with the 1981 figures. While the volume of imported crude declined by 7.7 percent, the cost increased by 30.5 percent, giving us an idea of the rise in real prices, even though the measurement was made in current pesetas.

These figures on oil imports are significant in terms of the deficit in Spain's balance of trade during the past year. We should point out that the absolute data were as follows: crude imports cost 762.786 billion pesetas, of a total of 942.575 billion for purchases of all energy products. This figure may be compared with exports, calculated by the Bank of Spain at 40.794 billion pesetas for crude, and a total of 58.966 billion for all energy products.

Based on these figures, our foreign deficit in recent years has been as follows: 1975, 490.710 billion pesetas; 1976, 586.808; 1977, 575.218; 1978, 429.939; 1979, 482.770 billion; and 1980, 957.465 billion pesetas.



Key:

- 1. Foreign trade trends in 1981 (billions of pesetas)
- 2. Imports
- 3. Exports

Consumption Down by 8 Percent

This abrupt decline in crude imports coincides with a decline in consumption of petroleum products during the past year, calculated at 8 percent. Consumption of major products declined by 7.9 percent.

In this decline, common to all the industrialized nations, the most important factors were: a decreased consumption of automobile gasoline, a decline in demand for diesel fuels, and a strong decline in the consumption of heating fuel. In the first case, consumption dropped by 0.7 percent; in the case of diesel fuels, there was a 6.3 percent decline; and finally, in the case of heating fuel, the decline in consumption was 10.7 percent. In absolute value, the total consumption was: gasoline, 5.3 million tons; diesel fuels: 9.17 million tons; and fuel oil, 17.5 million tons.

Spain, 10th Country in the World in Refining

Last year Spain, in its processing of crude, was the 10th-ranked country in the world's refining capacity, with a volume of

1,517,000 barrels per day, divided among 10 refineries. The worldwide capacity is evaluated at 81,438,421 barrels per day.

The world's leader in refining capacity is the United States, with a capacity of 19.6 million barrels per day, followed by the Soviet Union, with 11.6 million barrels per day. Next is Japan, with 5.6 million barrels per day, Italy, with 4 million, Great Britain, with 2.4 million, China, with 1.8 million, and Holland, with a capacity of 1.7 million barrels per day. After Spain are countries such as Mexico, Brazil, Venezuela, Singapore, Belgium, Argentina, Kuwait, and Iran.

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INTERIOR MINISTER BAUM ON SPD/FDP ALLIANCE

Hamburg DER SPIEGEL in German 1 Mar 82 pp 29-32

[Interview with Gerhart Baum, federal minister of the interior, by Klaus Wirtgen and Paul Lersch of DER SPIEGEL: "'The FDP Has No Alternative'"]

[Text] SPIEGEL; Mr Baum, how much longer will the coalition last?

Baum: Far longer than a number of people have been assuming these days and weeks--at any rate until 1984.

SPIEGEL: How do you come to that conclusion?

Baum: I come to it because the coalition was entered into for the whole term of the legislature. It really would require extraordinary circumstances to change that in any way.

SPIEGEL: The dispute of the past few months really rather creates the impression that the end is quite near.

Baum: I did not take part in this dispute, and I would prefer not to make it the subject of our interview. It is not now a question of how the two coalition parties are feeling or of the feelings of the persons involved. It is simply a question of recalling the common objectives and of realizing them under much more difficult external circumstances. I perceive important common objectives. The coalition is therefore necessary from the political point of view. I therefore see no alternative.

SPIEGEL: Someone looking at the fracas sees this quite differently.

Baum: I do admit that the image of the coalition is not a good one. This certainly is also due to the behavior of the partners. The coalition at present is suffering from the fact that many citizens are not convinced that it is devoting itself resolutely to long-term objectives such as were clearly defined in their election platforms. The economy debate and a number of tactically motivated maneuvers have created the impression that the coalition partners by and large are committed to advantages of their own, to the relevant electorates.

SPIEGEL: FDP Chairman Hans-Dietrich of late has talked little about things in common but rather about the partners' "differing basic economic and sociopolitical concepts." He charges that the Social Democrats at least in part are "deviating from the market economy" in their concepts.

Baum: I don't know why this is causing such surprise. We are two differing parties. Democratic socialists do not have the same attitude toward the market economy as liberals.

SPIEGEL: What is amazing anyway is that once again, just as soon as things have been patched up, the dividing features are pushed to the foreground.

Baum: Like me, the FDP chairman would like to see this coalition succeed. But he has voiced his worries about the SPD's ability to act. That was the message.

SPIEGEL: Many a person was reminded rather of the summer spectacle, the play with the switch to the CDU/CSU.

Baum: That is an interpretation to which I cannot subscribe. But I admit that mistakes were made during the summer. In the daily interview warfare about economy possibilities, also in the social budget, no convincing example was set, for the people affected, of a convincing commitment--a commitment which definitely and precisely could have included an admission of the difficulties in finding the right answers in the matter itself.

The emotional element was neglected. Surely the important thing above all was to give a signal to the people affected indicating: We are taking care of you, we will not leave you in the lurch, we feel responsible for your, we are doing something for you. Basically a psychological-emotional deficit had become noticeable in the debate about the budget and employment program. That is something I have to state to the SPD but also to my own party.

SPIEGEL: Surely such mistakes do not just happen. With its tough demands for a reduction of social payments, your party wanted to demonstrate that it was dissociating itself from the Social Democrats.

Baum: The summer spectacle certainly created a damaging impression, with large parts of the workers feeling that they had been abandoned by this coalition. But this impression is erroneous. Just the other day the FDP chairman made his position clear by stating: "I would like this very coalition to be a reform coalition capable of adjusting our liberal society to the changed economic conditions." I wonder whether one can find fault with such a position, even as a Social Democrat.

SPIEGEL: Many of your own party friends who met in Cologne during the weekend evidently are under the impression that the FDP is becoming more and more of an industrial party. As an attraction for CDU voters, Otto Graf Lambsdorff was named the Erhard of the eighties by Genscher. There is little left of a sociopolitically committed FDP such as was revealed in the Freiburg program.

Baum: Genscher is not out for a return to the Erhard recipes of the fifties and sixties, let alone a return to the old liberal industrial party of the fifties. At that time it was a question of answers to the question as to how a destroyed country was to be rebuilt. Unilateral concentration on the material factor was needed then. Today it is a question of how freedom and life's opportunities can be realized for all. As everyone can see, both are not "distributed" equitably enough. There is no returning to a policy which wants increasingly to satisfy material needs.

SPIEGEL: If this really was what Genscher meant, one has not been able to notice any of it.

Baum: Sure, the budget discussions of the past few months about the level of the net indebtedness, about tax increases, about cuts into the social net at times have been conducted in a highly tactical manner. A credible example is set of liberal commitment whenever it remains apparent that the lives of individuals are the clear focal points of orientation of political action. At times too little distinction has been apparent between the FDP and the CDU. The solidarity of the state, of society, with the individual in an uncommonly difficult economic situation must not be abandoned. That is what was formulated in the Freiburg program, and there will be no change in that.

SPIEGEL: To that extent you also feel you are at one with your party friends at the Cologne forum who likewise only want to recall the Freiburg FDP?

Baum: On one point anyway I am in agreement with the participants in the forum. As far as I am concerned, Freiburg--similarly as Bad Godesberg, as far as the SPD is concerned--is a symbol of the "new FDP" and of the new liberal identity, characterized beyond classical liberal positions by socio-political commitment.

SPIEGEL: Can you reveal to us what this means in practice?

Baum: The Freiburg program does not contain any ready solutions of current problems, but it did supply the substantive basis for this coalition. Freiburg was a turning point, with the FDP making clear its responsibility for the socially weak in society. The FDP was able to develop its identity in this coalition. The turning point must not be erased. In the past few months we have made this political background insufficiently clear. I know that for many people in the FDP the calling into question of this coalition because of this connection constantly also represents a danger of the loss of liberal identity. But Freiburg is no commitment to a "historical alliance" with the Social Democrats.

SPIEGEL: What you are saying has a nice nostalgic ring. In practice the FDP has long since lost its social-liberal identity in the coalition.

Baum: I don't see it that way. To find the right places for making economies in these difficult budget operations is not easy. But we did make efforts also to take social aspects into account.

SPIEGEL: If this is all so, how do you explain the phenomenon that precisely in social and economic politics the FDP time and again gets into arguments with the Social Democrats?

Baum: Perhaps this is also due to the fact that there has not yet been any kind of exhaustive debate in the two parties about these questions--not in the SPD either. The question of budget consolidation will remain under consideration in the future as well. If someone thinks that one need not make any economies at all, he is being unrealistic.

SPIEGEL: But this means that another conflict with the SPD has already been programmed.

Baum: We just have to take our time and agree where we can cancel payments with a clear conscience because we cannot afford them any longer. An example: Shall we, as the CDU wants to, eliminate BAföG [the Federal Law for the Advancement of Education], or will we in doing so ruin a policy which has been important for us for many years?

All I can say is this: As far as I am concerned, it is an utterly basic matter to afford young people who do not come from a well-to-do parental home equal opportunities of education. This can be used to show what Freiburg means to this day. We cannot take anything back there. We just will not conduct an educational policy for the privileged.

SPIEGEL: With all due respect, Mr Baum, that sounds rather unrealistic. While you talk about agreement, others are already steering toward the next row in order to bring about the "change."

Baum: No, that is not so. It is not a question of revising a policy because it has been recognized as wrong ex post facto. The utterly changed financial situation must be taken into account. This is a constraint all of us are under. Social Democrats find it very difficult--and I too find it very difficult. And I am not cynically glossing over the fact that I now have to deprive people of something. Why don't you listen to what Genscher has to say? He too only wants adjustment to the changed overall economic conditions, nothing else.

SPIEGEL: By the time of the 1983 budget round, at the latest, we will see what the FDP's desire for agreement is worth. Shouldn't you yourself show your colors more?

Baum: To the extent that I participated in the negotiations, I have tried to advocate such points of view. But I did not have to report publicly about my participation in the coalition talks.

SPIEGEL: So will the Erhard of the eighties again be sent out to catch votes in the pending Landtag election campaigns?

Baum: Of course, Lambsdorff will campaign, but you are out to create the impression that the FDP is only pursuing economic policy. The FDP represents

foreign policy, it represents domestic policy, and for many people in this country all that combined continues to be important.

SPIEGEL: Only one does not notice too much of it...

Baum: ...because there are hardly any coalition conflicts in domestic politics. There are only conflicts with the CDU. What divides is being reported-- I mean not what divides the coalition and the opposition but what divides within the coalition.

SPIEGEL: Does it irritate you when a CSU man demands your resignation, as happened again last week?

Baum: It is precisely the policy of the CDU/CSU that causes me to say that there is no alternative. How am I supposed to conduct a policy of civil rights with a party which justifies the mass arrests in Nuremberg? Overcoming the radicals decree and the incrustations connected with it also belongs in this category. We have to free ourselves of the fear that the communists might undermine the state. That fear, however, continues to grip the CDU/CSU. Or take the protection of the environment and the safety of nuclear power plants. How am I supposed to do this together with a party which regards this primarily as an investment obstacle? And so there are a great many items, such as the fight against the discrimination against women, which are important for liberal identity.

A different coalition--in some fields at any rate--would constitute a fundamental change of German politics. I ask myself primarily: How could the political objective of detente be preserved except through a policy conducted jointly by Schmidt and Genscher?

SPIEGEL: Surely Foreign Minister Genscher will be able to make his policy prevail in a CDU government as well.

Baum: I really cannot imagine how that is supposed to work. The policy of peace is the SPD-FDP coalition's very own field; it is the most important field of this government. There have been far-reaching political impulses tied to the start of the coalition in the early seventies. The key role of the Federal Republic of Germany in the resumption of the disarmament talks shows that the policy of detente still constitutes the real dynamics of the coalition. This is where the desire for reform is most clearly visible. Here too it is a question of overcoming encrusted confrontations. If the coalition did not exist, it would have to be established for this reason. Just read the speeches Mr Kohl made in foreign policy debates in the Bundestag. His reactions are more like those of Mr Weinberger, to put things bluntly.

SPIEGEL: Genscher also wonders, however--judging by a study of his ministry--what could be substituted for detente. Priority for Washington, no special efforts toward the East, the study says.

Baum: I judge the policy of a government by what it does in practice. The assessment of the situation in Poland, the question of sanctions, the question

of the natural gas pipeline, the assessment of U.S. policy, the attitude of the Federal Republic of Germany at the CSCE conference--to mention just a few examples--all take place in seamless coordination of the two coalition partners. Even in difficult and dangerous times the policy of detente must be continued. Read in turn what Strauss spouted off with in Passau.

SPIEGEL: How much can this policy bear if the pressure from the United States increases further?

Baum: Things have not been easy anyway since quite violent criticism was voiced by public opinion in the United States and France some weeks ago. Nor will they become any easier. But, if only in the interest of the disarmament negotiations in Geneva, we must not allow relations with East Europe to be severed. In order to advance disarmament, the Federal Goverment has assumed an active role, with great credit for this being due to Schmidt and Genscher. And I really don't see any reason for reproaching Genscher.

SPIEGEL: Has not precisely the Cologne congress shown that there is great uneasiness about the twin decision in your party as well?

Baum: What needs to be done now is to put an end to the downright sterile mood of confrontation reflected in the pro and con of the NATO double decision and to swim free of that. An overlapping policy, such as is already apparent in its beginnings with Mitterrand, in the last analysis consists in Europe finding its identity in a resolute and forceful appeal to the super-powers to stop the armament race at long last.

SPIEGEL: What does that mean?

Baum: I visited Mr Ceausescu a short time ago, and there are agreements as far as his foreign political position is concerned. For instance, there is an identity of interests in that we in Europe do not let ourselves be fully armed--in other words, try to avoid and reduce armament on both sides. I can see an interest in our continuing a dialogue, in our expanding our relations even though there are crises elsewhere in the world--for instance in Afghanistan and Poland.

SPIEGEL: In the field of foreign affairs, the only dispute to this day is the one about the double decision.

Baum: As far as a number of people are concerned, it took the events in Poland for them to understand the overlapping political integration of this decision into a committed overall policy of peace such as is manifest in the FDP election platform. It is a question of ending the armament mania. Here Europe must make it unmistakably clear that it is not willing to follow the United States on the road of an unparalleled new escalation to an astronomical overwinding of the armament spiral.

SPIEGEL: There are also some people in your party who think that it is precisely the double decision which is increasing the tensions and is leading to further armament on both sides.

Baum: I oppose an isolated armament debate. That is what I have just tried to make clear. In my view the twin resolution is an important part of this entire policy. But I also see that most citizens are not convinced that the politicians responsible have clear political perspectives for ending the armament race and are following through with resolute commitment, and thus with prospects of succeeding. All too often the impression of a defensive predominates--as, for example, in the reaction to Brezhnev's moratorium offer. The chances of progress in the sphere of detente and peace policy are probably greater than many skeptics believe, because the armament spiral will probably very soon reach such dimensions as to cause the ruin of national economies. There is only one way out: negotiation.

SPIEGEL: What will happen if the Munich SPD congress 7 weeks from now clearly decides in favor of a moratorium, against the chancellor's wishes? The end of the coalition?

Baum: I do not want to make myself in advance the censor of the SPD party decisions. For a start, the Social Democrats have to know themselves what they want to do. There are people who of course deal only in automatic effects: if this or that election is lost, this or that will happen....

SPIEGEL: But that is not wholly unrealistic.

Baum: Federal Chancellor Schmidt was elected by the German people. That is the voters' mandate, and there has been no change in that.

SPIEGEL: Do you interpret this as a mandate to continue this coalition with Schmidt as chancellor?

Baum: It was not meant in reference to the coalition, it was meant in reference to Schmidt--to both.

SPIEGEL: Can you conceive of your [entering into] a coalition with another SPD chancellor....

Baum: ...That question of course was bound to come. I don't think about another chancellor.

SPIEGEL: All we are interested in is whether this coalition can survive with another Social Democratic chancellor.

Baum: Of course.

SPIEGEL: Can the coalition also survive the series of Landtag elections, even if the SPD-FDP government in Hesse is toppled?

Baum: Let me first remind you that the Federal Government is formed as a result of a Bundestag election. Of course Landtag elections have an effect on the political landscape, but surely we cannot stare like rabbits at those elections.

SPIEGEL: That means the government goes on?

BAUM: Look, I am no prophet. But I of course want to go on.

SPIEGEL: In Hesse, Liberals are discussing the question as to whether they can enter into a government with Alfred Dregger. Mr Strauss has said that influential FDP politicians had indicated to him that he was again considered qualified for heading a ministry....

Baum: ...Well, I find that all very funny--that all kinds of politicians of the CDU and CSU now cite anonymous positions in the FDP. Like anonymous letters, they should be thrown into the wastebasket, I think. Either someone identifies with it or it does not exist.

SPIEGEL: You should be glad that he is not naming any names.

Baum: He will not be able to name any, I say. I find it altogether remarkable with what intensity Mr Strauss has again been making himself the subject of conversation these past few days. One almost gets the impression that he is already forming a new government, in which for the time being he is not yet chancellor but is content with the role of finance minister.

SPIEGER: Would Gerhart Baum join Franz Josef Strauss in a government?

Baum: No, I cannot imagine such a thing.

SPIEGEL: Assuming the coalition collapses after all, either after the Hesse election or after consultations about the 1983 budget. Will the FDP then be able to switch to the CDU, or will it have to strive for new elections?

Baum: Well, what I am wholly bent on is to put an end to these hypothetical discussions about a collapse of the coalition.

SPIEGEL: You are not supposed to talk the coalition to death; your chairman has prohibited that. But one really should be allowed to ask whether you, for example, will elect Mr Kohl chancellor in Parliament. It might help the coalition if you said no.

Baum: I have just eloquently expounded my personal attitude toward this coalition.

SPIEGEL: But if it must be, will you also elect Mr Kohl?

Baum: I once was cabbage king and that was my contribution to the Kohl [German for cabbage] year once and for all.

SPIEGEL: Thank you for this interview, Mr Baum.

8790
CSO: 3103/314

PROFESSOR URGES DISMANTLING OF SECURITY TREATY WITH USSR

Helsinki HELSINGIN SANOMAT in Finnish 18 Feb 82 p 9

[Article: "Finnish Professor Wants to Dismantle Treaty with USSR"]

[Text] Stockholm--The YYA [Friendship, Cooperation, and Mutual Aid] Agreement between Finland and the Soviet Union should be dismantled. The Friendship, Cooperation, and Mutual Aid Agreement negates Finland's policy of neutrality instead of being the cornerstone of this policy, states Professor of Political Science Dag Anckar of Turku's Abo Academy. Professor Anckar delivered a lecture in Stockholm at a seminar on the security policies of the Nordic countries.

Anckar emphasizes that the YYA Agreement will not restrain an aggressor who may attempt to attack the Soviet Union through Finnish territory. It is actually more of an enticement. "If the Soviet Union resorts to the provisions of the YYA Agreement and sends troops to Finland to protect itself as well as Finland from an attack, the conditions for keeping Finland outside of a conflict will have been negated," states Anckar. "It is doubtful that an aggressor would consider a more indirect route inasmuch as Finland is occupied by the country which it intends to attack.

"This would mean that an enemy would have to attack from the side or the rear. This would be too high a price to pay for honoring Finland's neutrality," continued Anckar. According to Anckar the YYA Agreement has become a document detrimental to Finland's neutrality. Instead, he would like to see a well armed neutral Finland.

"The YYA Agreement should thus be dismantled and Finland's relatively weak defense forces should be better armed so that Finland would be able to defend itself against an aggressor by its own means. A well armed neutral Finland, which would enjoy the trust of the East as well as the West, would perhaps benefit the Soviet Union's security aspirations better than the YYA Agreement." Anckar also does not believe that Soviet troops will receive a friendly reception in Finland.

"Gallup polls, however, indicate that a large majority of the Finnish people consider the agreement to be good. The questions presented have been obscure and they require no commitment.

"If some Gallup poll were to ask how the Finnish people would react to the presence of Soviet troops on Finnish soil, it could be reasonably expected that the answers would cause a considerable headache for Finland's foreign policy leadership."

Anckar goes on to state that there are also positive points in the agreement: "They are the principle of noninterference in internal affairs, points which concern economic and cultural relations, and Finland's obligation to defend itself against an aggressor invading its territory."

STALINISTS' ORGAN SCORES AALTO OLIVE BRANCH TO RIGHT

Helsinki TIEDONANTAJA in Finnish 17 Feb 82 p 2

[Editorial: "On the Conservative Party"]

[Text] SKP [Finnish Communist Party] First Secretary Arvo Aalto's speech on the Conservative Party, which has been labelled as an opening to the right, has aroused a surprisingly satisfactory discussion in several bourgeois papers beginning with HELSINGIN SANOMAT. Without a doubt Aalto's speech was surprising. In the Communist Party no such collective conclusions have been drawn, none which would give cause to allow the Conservative Party into the government together with the Communists.

No one will deny the fact that the Conservative Party has whitewashed itself in domestic and above all foreign policy. This is not just a question of changing a few lines, but the changing of a whole tactical policy. The Conservative Party has previously been against the current foreign policy it is now supporting. But whether this means a retention of Finland's international position and a continuation of its peaceful foreign policy or whether it is a question of an extensive operational measure to move Finland into the sphere of influence of Western international policy is already a more difficult question.

As far as domestic policy is concerned the Conservative Party continues to be the party of big money "until the end". This position is not at all changed by the fact that the Conservative Party's constituency is now made up of a socially broader population group than before. Wage earners are included among the constituency of the Conservative Party. Even a few workers. But this does not change the Conservative Party's basic direction as a party of big money: this only forces the Conservative Party into a more skillful and diversified policy. Whether this is reason enough to begin to build a basis for the joint participation of Communists and the Conservative Party in the government is another matter. It is at least a question of an obvious lack of consideration. Besides, why has Aalto now brought this subject up for discussion?

10576

CSO: 3107/76

SOCIALIST INTERNATIONAL PEACE AIMS LINKED WITH SOVIETS

Paris POLITIQUE INTERNATIONALE in French No 13, 1981 pp 81-90

[Article by Branko Lazitch: "The Socialist International and the Struggle for Peace"; Branko Lazitch is a journalist and historian; he is the author of many and important works on communism including, most recently, "Biographical Dictionary of the Comintern," Hoover Institute, Stanford, 1973; "Le Rapport Khrouchtchev et son histoire," Le Seuil, 1976; "L'Echec permanent: l'Alliance socialiste-communiste," [The Permanent Failure: The Socialist-Communist Alliance], Laffont, 1978.]

[Excerpts] Founded in Paris in 1889, the year of the 100th anniversary of the French Revolution, the Socialist Worker International--its first official name--has fought more for peace than for revolution. There had been much talk about the revolution in the beginning without ever acting on it; although revolutionary rhetoric disappeared in the end, the "struggle for peace" became an article of faith. In this area, the Socialist International not only always spoke but often acted. The current commitment of the socialist parties in support of peace, detente, and disarmament is quite in line with those that came before World War I.

The Socialist International apparently did everything to prevent this (first) cataclysm. During its 1907 Stuttgart congress, the resolution on "Militarism and International Conflicts," adopted unanimously, included an amendment vigorously proposed by Rosa Luxemburg, Martov (the leader of the Mensheviks), and Lenin (the leader of the Russian Bolsheviks), which leaves no doubt as to the pacifism of the socialists: "If a war threatens to break out, it is a duty of the working class in the countries concerned, it is a duty for their representatives in the parliaments to do everything in their power to prevent the war. If war should break out nevertheless, they have the duty to get involved so as to see to it that it will stop promptly and with all their might to exploit the economic and political crisis created by the war in order to precipitate the downfall of capitalist rule."

Just 7 years later, when the war did break out, not only did this resolution remain a dead letter but the socialist parties took exactly the opposite action. The 110 German socialist deputies voted in favor of all wartime allocations, followed by the French who even delegated two representatives of the SFIO [French Section of the Workers International (French Socialist Party)] to join the government.

Called a "stinking cadaver" by Lenin, the Socialist International ceased to exist. It was necessary to wait for the end of the war and for contacts to be resumed between the various socialist parties, in order for the Socialist International to be revived

at the Hamburg congress in 1923. During the following years, the struggle against the threat of war once again became the priority task assigned to the socialist parties. But from that moment on they had a very active direct competitor: The (communist) Third International which likewise at the head of the list of its objectives placed the struggle against imperialist war, identifying the struggle for peace with the unconditional defense of the "fatherland of socialism," the Soviet Union.

When, in 1932, the Communist International--supported by its satellite movements and its fellow travelers--organized a "World Congress Against War," it urged the Socialist International to join in this action. But Fritz Adler, the secretary-general of the Socialist International, wrote to Henri Barbusse, president of the World Congress, to notify him of the socialist refusal to participate in this "communist maneuver for a Single Front." When the congress opened at Amsterdam on 27 August 1932, it was only able to note the absence of the leaders of the Socialist International at "this historic occasion."

The Socialist International rejected unity of action with the Communist International but it proved to be incapable of conducting the fight for peace by itself.

Moscow thus established contacts between 1972 and 1975 not with the Socialist International itself but with some of its national sections. The trips by socialist delegations to Moscow now began and were marked each time by the same procedure. First of all there was a meeting with the Kremlin's two spokesmen M. Suslov (member of the Politburo and secretary of the Central Committee) and B. Ponomarev (alternate member of the Politburo and secretary of the Central Committee). This was followed by the publication of a joint announcement involving the obligatory use of the following key words; Peace, detente, disarmament, international cooperation, presented as the grounds for possible understanding among the communist and socialist movements. A Belgian socialist delegation was the first to embark on the road to Moscow. It was rapidly followed by several others. In April 1975, it was Francois Mitterrand's turn to visit the Soviet capital at the head of the PS [Socialist Party] delegation. The meeting with Suslov and Ponomarev was ritually followed by the publication of a joint announcement. Here there was a distinction made between the forces of peace (the USSR) and the forces of war (the Westerners): "The delegation of the French Socialist Party expressed its appreciation for the constructive contribution which the Soviet Union has made to the process of international detente. The two delegations furthermore found that the imperialists and the reactionaries are still pursuing their attempts at reviving the spirit of the Cold War."

It was only in 1976, during its Geneva Congress that the Socialist International really made a fresh start first of all by electing Willy Brandt as president, a job which he still has. Hereafter, the activities of the International were characterized by two new elements.

Here is the first element: The expansion of the Socialist International toward the Third World. Until then, ever since its birth before 1914, the International had remained a rally of European socialist parties with perhaps two or three exceptions. The Geneva Congress marks a turning point whose effects one was able to measure starting with the next congress at Vancouver in 1978. That congress was the first to be held outside Europe and it was attended by 60 sections, including 14 African sections, 17 Latin American sections, and two Asian sections. While this was

certainly a great quantitative gain, the advance in qualitative terms was much less; the European socialist parties were born under propitious conditions, marked by industrial development, the establishment of labor unions, the experience of municipal, parliamentary, and cooperative work, and a solid knowledge of socialist doctrine. All of these are things which are not to be found in the Third World, with negative consequences that were not long in coming. With their weak hold, the new members of the Socialist International proved to be very vulnerable to the triple pressure exerted by communism: The influence of Marxist-Leninist doctrine; the international clout of the USSR as well as the action of the local communist parties. Wanting to display proof of its hostility toward imperialism, especially American imperialism, the Socialist International backed up the Marxist-Leninist movements which were camouflaged as national liberation fronts. Three flagrant cases quickly emerged into the bright light of day in the Caribbean: In Nicaragua, in Grenada, and in El Salvador. Consistent with its own principles, the International, while approving the socialist supporters of joint action with the communists in Central America, edged away from the socialists of Eastern Europe who were hostile to communism in their countries. At the Geneva Congress, the opening toward the Third World was accompanied by the exclusion of socialists exiled from Central and Eastern Europe who had until then been admitted as observers (with the right to speak at the congress).

And here is the second new element since that congress: Contacts were established between the Socialist International and the Kremlin leadership team. Coming after the signing of the Helsinki Accords the year before, in the midst of the illusion of detente, the Geneva Congress marks a historical break with the past of the International. Until then, the Socialist International, loyal to a long tradition, had not received a representative of Moscow at its meetings, nor had it sent even the smallest delegation to negotiate with the masters in the Kremlin. Within a little more than a year, this tradition was discarded without fanfare. A disarmament conference was convened in Helsinki in April 1978 on the initiative of the Socialist International. Moscow was invited to send an expert to represent it. The leaders of the Socialist International were more than pleased: It was Boris Ponomarev, a specialist not only in disarmament but also on the international worker movement (both communist and socialist) who attended the conference and addressed it. This is an eloquent sign of the importance which this new "battlemented" activity henceforth has in the Kremlin's eyes.

Once the door of the Socialist International was opened to the man from the Kremlin, it was logical that the representatives of that International should meet even the top leaders in Moscow. This gesture was performed in October 1979 and, it was likewise done in the name of peace and disarmament. An official delegation from the Socialist International, called "Study Group on Questions of Disarmament," made up of nine leaders, including Lionel Jospin for the French Socialist Party, was received by Brezhnev in person, (accompanied by B. Ponomarev) on 1 October. This was followed by an announcement which of course dwelled at length on peace, detente, and disarmament.

But it was not the content of the announcement that made this meeting so important. The meeting had a historical meaning. Since 7 November 1917--the day Lenin took power in Petrograd--no representative of the Socialist International had ever gotten into the inner sanctum of the Kremlin, not even when both communists and socialists

pursued unity of action during the Popular Front, the Spanish Civil War, and other legendary antifascist struggles. But this reception in the Kremlin also had a practical political meaning: By placing the dialogue with Moscow on an official level, still of course in the name of peace and disarmament, the Socialist International had stuck its finger into the gears. It could no longer reverse the gears, as an abrupt event would illustrate very soon. Less than 3 months after this meeting, the USSR invaded Afghanistan--an act of intervention which apparently is not very compatible with the interests of peace and detente. Now, while the Western governments, to varying degrees, express their emotion and their disapproval, proposing various kinds of sanctions, the Socialist International pursues its dialogue with Moscow in the name of "peace, detente, and disarmament."

The Socialist International was never a centralized organization that imposed strict discipline on the member parties. Its actions as a whole--which do not necessarily involve all of its sections--are rather rare. But today there is one field in which this common activity is carried out: The struggle for peace, detente and disarmament, a struggle which increasingly tends to weaken the Western positions and "objectively" to help Soviet strategy.

Right now, there are two special commissions of the International at work, and both of them are charged with conducting the fight for peace in cooperation with the USSR and both of them are presided over by a Scandinavian socialist leader.

The first commission, established after the socialist conference of Helsinki (April 1978), was officially set up on the day after the meeting of the Bureau of the International in June of that same year in Dakar. Called the "Study Group of the Socialist International for Disarmament Problems," it is chaired by Kalevi Sorsa, former Finnish prime minister and chairman of the Social Democratic Party. The appointment of this politician to head the commission was full of significance: He was to work toward "Finlandizing" the commission, as he had already helped to do for his own party and his own country. This is when things began to happen: Less than a year and a half later, on 1 October 1979, Sorsa was already able to introduce to Brezhnev the members of that "study group" and to start a dialogue with the Soviet number one man. The latter from the very beginning was happy to note that "The Socialist International is paying more and more attention to the problem of disarmament which the CPSU has always considered a key task." The tone of Brezhnev's speech--according to a report by the TASS [Telegraph Agency of the Soviet Union]--is violently anti-Western. Bringing up the speculations of imperialist propaganda on the subject of a "Soviet threat," the CPSU secretary-general emphasized that "Those who started the arms race--especially those who today seek to carry out projects intended to turn Western Europe into a launch ramp for American weapons turned against the USSR--are using lies like a smoke screen." But the more Brezhnev proved to be aggressive against the Westerners, the more Sorsa proved to be servile toward him: After having expressed his gratitude for the reception and after having transmitted greetings from President Willy Brandt, the Finn warmly thanked Brezhnev for having been kind enough to devote a little bit of his time "to this meeting and to this exchange of opinions on the question of disarmament, the most burning problem right now for humanity. We consider this meeting," he added, "as an expression of your personal determination not to spare any effort in the struggle for disarmament and the relaxation of international tension." This is the kind of obsequious language which even Carrillo, Berlinguer and many other communist

leaders certainly would not have come out with in talking to Brezhnev. The meeting as a matter of fact bore fruit: Several days later, a resolution on disarmament was adopted during the meeting of the Bureau of the Socialist International in Portugal.

On 11 December 1979, a long article in PRAVDA on "European Security and Social Democracy" subdivided the parties of Socialist International into three categories. The pretext claimed was the question of the euromissiles and the decision which NATO was getting ready to make in Brussels. In the first category, we find the Dutch, Danish, Belgian, etc. parties resolutely committed to the struggle for peace and against the installation of euromissiles (as for the SPD [Socialist Party of Germany], a distinction is made between President Brandt and Chancellor Schmidt). In the second category PRAVDA mentions only the French Socialist Party which avoids adopting a position on the pretext that the installation of euromissiles does not concern France. As for the third category, it only includes the Italian Socialist Party, the only one to support NATO nuclear plans. This indeed is a curious paradox. The socialist party that was excluded from the International 30 years ago because of its procommunist attitude, is now presented as the spearhead of the pro-American socialist parties!

The leaders of the Socialist International are not confining themselves to this "study group." In September 1980, they founded an "Independent International Commission for Disarmament and Security," in Vienna with Olof Palme as chairman. In contrast to the commission headed by Sorsa and made up only of representatives of the International, the Palme commission consists of socialists, Soviets, and miscellaneous political personalities. During the same month that this commission was founded, Palme went to Moscow, less than a year after the occupation of Afghanistan. Now, at the time when Washington's troops were in Indochina, Palme--who was in power at that time--demonstrated in the streets against aggression by "American imperialism." On the other hand, after Soviet aggression against Afghanistan, not only did he not have the same idea but he went to the Kremlin twice within a span of 9 months. The second time, in the middle of June 1981, he was even received by Brezhnev. At the end of that month, the master of the USSR met Brandt who declared upon his return: "Brezhnev is trembling for peace."

Early in July, after its publication in the Italian socialist daily AVANTI, it was learned that a letter had been addressed by the Soviet leadership to the European socialist and social democratic parties. It talked about "the common struggle for peace."

The fruits of these efforts are now spread out before the eyes of the world. In the name of pacifism and detente, the Socialist International and most of its sections are the vanguard of the fight against the installation of the (American) Pershing missiles in Europe and against the manufacture of the (American) neutron bomb. It is not by chance that, at the end of August, the so-called "Scandilux" group met in Copenhagen. Made up of the social democratic parties of five NATO member countries (Norway, Denmark, Holland, Belgium, and Luxembourg), it then quickly condemned the neutron bomb. In 1938 those same socialist parties had proclaimed their "neutrality" at the time of the Munich agreement.

The compliments expressed by Moscow toward the Socialist International in general and its "study group" in particular proved to be fully justified. And these compliments come from the Soviet summit. In April 1980, during the conference of

communist parties of Eastern and Western Europe in Paris, Boris Ponomarev talked about Moscow's interest in the recent meetings held in Vienna and Luxembourg by the leaders of the Socialist International; and he emphasized that with "utmost attention we follow the activities of this study group which is preparing the platform of the Socialist International on the disarmament issue." Just a year later, on 23 February 1981, addressing the 26th CPSU Congress, Brezhnev spoke at length and full of praise about contacts with several socialist and social democratic parties and with the International itself: "Great importance is also attached to contacts with the leadership of the Socialist International, to our participation in the conference of the Socialist International on disarmament, the contacts with the study group which is established on this problem, to the reception of its delegation by the CPSU Central Committee. Social democracy in our day is playing an important role.

In conclusion we might mention a simple historical fact: It is the destiny of the Socialist International to yield to any force superior to it. In 1914, the formidable explosion of nationalism rallied the socialist parties to "social patriotism." At the end of the Thirties, Hitler had superiority and many socialist parties declared themselves to be "neutral." During the Fifties, the Americans had superiority and the Socialist International became pro-Atlantic. At the end of the Seventies, Soviet military supremacy is asserting itself and the socialist parties are falling back into pacifism and neutralism.

5058
CSO: 3100/351

GROUNDED SOVIET SUB CAUSES NUCLEAR-FREE ZONE BACKLASH

PM151513 Oslo AFTENPOSTEN in Norwegian 5 Mar 82 p 2

[Editorial: "Checks and Nuclear-Free Status"]

[Text] To the extent that there is still some life in the debate on a nuclear-free zone in Europe it has taken a turn that could hardly have been foreseen and certainly not desired by some of those who set the debate in motion. There are calls from groups in the Soviet Baltic republics--Estonia, Latvia and Lithuania--that their territory should also be included if such an arrangement comes about. The East German authorities have begun to combat a worrying pacifist movement and have stressed how important it is to teach the younger generation a healthy attitude toward the enemy--that is, the class enemy. And leading Swedish circles have made a clear statement that a nuclear-free zone in the Nordic area must not only include the Baltic, it must also give Sweden the right to board Soviet ships to check that they are not carrying nuclear arms.

It was the Soviet submarine which ran aground outside Karlskrona last fall which made it clear what made the Nordic area not nuclear-free. The nonaligned Nordic countries, Sweden and Finland, do not have nuclear weapons and have no intention of acquiring them. The two NATO members, Norway and Denmark, have committed themselves to voluntary unilateral limitations and do not have nuclear weapons on their territory in peacetime. All the Nordic countries fully understand that the Soviet superpower has part of its considerable arsenal deployed in areas adjacent to the Nordic area. But this understanding did not mean that they were prepared to close their eyes when a Soviet submarine brought nuclear arms with it into the Swedish Archipelago in a territorial violation which had unusually far-reaching repercussions and which richly illustrated why the Baltic cannot be dubbed the "sea of peace."

In particular the Swedes, who have pursued a sensible, well-considered and fully thought-out policy of neutrality, had every reason to expect an accommodating attitude from the Soviet Union rather than clumsy violations of its territory. In addition outside Eastern Europe it goes without saying that the Soviet Union cannot trample on the sovereignty of its neighbors without having to pay the price--and in the longer term the price is by no means zero in Eastern Europe either, but that is another matter.

There are several forms of neutrality, and Moscow has obviously caught wind of the fact that the Swedish variety is in the process of moving in a direction markedly critical of the Soviet Union. This should come as no surprise. For Sweden's fundamental political attitudes are not different from Norway's, especially in respect of social organization and freedom, and the formation of public opinion is affected by an episode as important and as striking as the submarine that went aground. It also put an end to a lot of smokescreen propaganda about who was responsible for the tension in our part of the world and it underlined that treaty partners who cannot be trusted must be checked to see that they are observing the terms of agreements they have made. A very clear statement of this came this week from the Swedish Foreign Ministry's highest-ranking civil servant, Leif Leifland. His statement should not be forgotten when another round of the nuclear debate begins.

CSO: 3108/79

FRAGA: AP DOES NOT REPRESENT RADICAL APPROACH

Madrid ABC in Spanish 21 Feb 82 p 16

[Article by Luisa Palma]

[Text] Madrid--"This Congress is taking place at a very important time for Spain and for the future of the Spaniards and their political institutions. This historic situation puts us under an obligation--those of us who believe and have demonstrated that Spain is the only thing that matters--to conduct our debates in a spirit of responsibility and service." These words uttered by Manuel Fraga, president of Popular Alliance, were greeted by an ovation when he made his speech opening the 5th National Congress of the party, whose working sessions began yesterday in the Madrid Palace of Expositions and Congresses, and will continue all through today.

The interest aroused by the fifth congress held by Popular Alliance, after the growth of the party, its recent election victory in Galicia, and the hopes raised by the start of the coming election campaigns which are helping to create an atmosphere of victory among the participants, has not been at all lessened by the particular political situation which we are experiencing at this time.

Conditions within the party will not present any great difficulty during the course of this congress, as Manuel Fraga pointed out before the session began yesterday. The leader of Popular Alliance, who arrived at the premises very early, asserted that as of now "there is no danger of division or of radicalization in the AP [Popular Alliance]; it will be a quiet congress."

They all stood; and acclaimed and recognized the work carried out by Manuel Fraga with deafening applause which thundered through the auditorium of the Palace of Congresses. Manuel Fraga said in his speech: "This Congress is the culminating point of a year of progress and our numerous successes, as in the Galicia elections, bear out our ideals and the strategies decided upon by the 3rd and 4th Congresses; but it must not make us fall into overconfidence or mistaken euphoria. We must constantly improve our ideas and programs, and we must realize that there is a long and difficult road to follow before we complete the political transition in Spain and win the confidence of the majority of the Spanish people." Fraga indicated two objectives as the immediate goal of his party, along the same line as the slogans on the posters: "To come up with the solutions that the Spanish people want, and with a natural majority."

Fraga believes that the natural majority "is not a mere cliche, or something imposed on him by anyone, but just the opposite: a hope, a dream, an invitation to solidarity, to cooperation, to practical understanding, so as to arrive at a common goal by various roads, if necessary." "They told me once in England that the secret weapon of the Conservative Party was loyalty," he said, "and that is the secret weapon of Popular Alliance: loyalty to its principles, to the Crown, to the flag, and to the institutions--loyalty, in short, to Spain."

Various speakers had the floor before Manuel Fraga, including different representatives of foreign conservative parties, like Erhard Jakobsen of Denmark; Michael Junot, aide to Chirac in the Paris Mayoralty and former father-in-law of Caroline of Monaco; Bernard Coute, member of the European Parliament; Carmen Lovelle, Mayor of Verin and deputy in the Galicia Parliament; Mr Kauffman, Minister of Finance, of the Likud Party of Israel; Archduke Otto of Hapsburg, also a member of the European Parliament, and Ortiwin Loewak, member of the German Bundestag. Jorge Verstrynghe, secretary general of Popular Alliance gave a detailed overview of developments in the AP since the last party congress and of its current status. "All the goals laid out in the Expansion Plan have been reached," he said, "from the first to the last." Verstrynghe made note in his speech of how much the nations need the presence of the AP.

The morning session, aside from the setting up of the Congress Board, headed by Juan Antonio Montesinos, was completely taken up by various speeches. The vice president, Gabriel Camunas, declared that "between the conservative and liberal sector which AP represents and the bureaucratizing socialism represented by the PSOE [Spanish Socialist Workers' Party] the only space remaining is that of the pending revolution--the space, in short, that is destabilizing our young democracy."

The speech by Hernandez Mancha, who may be backed for the presidency of the Andalusia Junta, was awaited with interest. He said: "AP is going to offer the people of Andalusia a reformist and modern option; a chance to lift Andalusia out of its economic underdevelopment and place it among the ranks of the most advanced regions of Europe." Miguel Herrero and Rodriguez de Minon listened attentively to all the speeches of the plenum yesterday, all the time taking copious notes. Yesterday was the first time that the former parliamentary secretary of the UCD [Democratic Center Union] attended a Popular Alliance Congress; a Congress that he characterized as "constructive." Herrero thinks that, for now, his task is "to devote all my efforts to promoting cooperation among all the independents in the great coalition of the majority--of the Spaniards who want democracy, and not socialism."

8131
CSO: 3110/93

POLITICAL

SPAIN

ETA ALLEGEDLY STEPS UP EXTORTION CAMPAIGN

Madrid EL ALCAZAR in Spanish 16 Feb 82 p 7

[Text] Many people living in the Basque Provinces are being victimized these days by an extortion campaign which the ETA [Basque Fatherland and Liberty Group] organization is carrying on by demanding a so-called "revolutionary tax." It is mainly directed against the industrialists and businessmen of the area, some of whom have already been victims of terrorist attacks because they refused to go along with the blackmail. Sources in the Basque Nationalist Party (PNV) have told EUROPA PRESS that the new large-scale mailing of letters from the ETA demanding a certain amount of money began on 2 February.

With the money collected from charging this "revolutionary tax," and that received as ransom from the kidnapping of people which goes on from time to time--in the Lipperheide case it appears that the family paid out 150 million--the armed Basque organization is strengthening its infrastructure and buying arms with the purpose of intensifying the terrorist struggle.

In regard to the kidnapping of the Vizcayan industrialist of German origin, Jose Lipperheide, sources in the PNV told EUROPA PRESS that the Basque administration feels very frustrated because a ransom was paid. They said that persons outside the family of the kidnapped man tried to blackmail the Basque executive with the threat that, if they did not contribute economically to the payment of the ransom, German investments in the Basque Provinces would flee to other regions of Spain.

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GONZALES CONTINUES EFFORTS TO REASSURE BUSINESS SECTOR

Madrid EL PAIS in Spanish 5 Mar 82 p 18

[Text] Agencies, Almeria--The secretary general of the PSOE [Spanish Socialist Workers Party], Felipe Gonzalez, stated yesterday in Almeria that in the business world they incline more toward center-rightist or rightist forms of government, but they are interested in finding out what the Socialist party is thinking, in case it gains victory in the coming elections.

Felipe Gonzalez, who is in Almeria to take part in political functions and to make contact with the organization of his party, also called on the Chamber of Commerce to talk with representatives of the business world. No representative of the Business Association of Almeria (ASEMPAL), which belongs to the CEOS [Spanish Confederation of Business Organizations] was present. However, the socialist leader spoke with the governing board of the chamber, to whom he stressed his desire to open "channels of communication."

"For now," said Felipe Gonzalez, "nationalization is not profitable. With the administrative system which we have, nationalization would impoverish the nation. At this time private enterprise is more efficient, but it is obvious that we are going to try to promote the changeover with our policies."

In a meeting with the press, Felipe Gonzalez said that the tricky argument is being raised that if the PSOE does not attain an absolute majority in Andalusia it would be the same as if it had not won. "To remain the top party, if we do achieve this, will involve an effort from the whole organization," he declared.

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EXPelled COMMUNISTS FORM LOOSE KNIT IDEOLOGICAL ASSOCIATION

Madrid EL PAIS in Spanish 4 Mar 82 p 21

[Article by Julio Fernandez]

[Text] With more than 1,000 supporters, of whom between 85 and 90 percent are or have been former communists who were expelled from the party or resigned from it because of disagreements with the PCE leadership, the Association for the Renewal of the Left (ARI) will be introduced in Madrid on 12 March. It is a political group set up for non-electoral purposes, according to its charter. Names like Manuel Azcarate, Pilar Bravo, Cristina Almedia, Eduardo Mangada, and almost all the communist leaders expelled from the central committee and those obliged to leave the City Council because of their expulsion from the party make up the Founding Board of the ARI, whose by-laws will be presented for certification next week to the Ministry of the Interior. The remainder of the members of the association who never belonged to the PCE at any time are people whose political activity in the field of labor and citizen representation took place in connection with this party and the PSOE [Spanish Socialist Workers Party].

The founding board, which at present has around 50 members, will be reduced to a board of directors once the by-laws are filed with the Ministry of the Interior. Although set up initially in the area of the province of Madrid, the ARI will be extended geographically to the provinces.

Among the different projects planned by the association is the publication of a magazine which will be put out by the same team which publishes NUESTRA BANDERA. This magazine, basically devoted to political analysis, will express the views of the ARI.

The organization will be financed by a founding fee set at a minimum of 500 pesetas, and minimum monthly dues of 200 pesetas. Also, district and professional groups have contributed various initial amounts to get the project going.

Charter

The political statement setting up the Association for the Renewal of the Left opens with the acknowledgement by its members of the impossibility of the

parties of the Left "overcoming the dominating influence of election strategy and of high-level politics, as well as the replacement of efforts to educate by mere propaganda, the suppression of internal democracy and the increase in power of the party 'apparatuses'."

"The Association for the Renewal of the Left is not just another political party," reads the charter, which recognizes the right of ARI members to belong to democratic political parties, with which it does not propose to compete in elections. The association conforms to the 1964 Law of Associations.

The purpose of the ARI, then, is to contribute to the renewal of the Spanish Left, both through initiatives in the field of methods of policy-making and in that of ideas themselves. In the former, their aim is to influence the public life of the nation so that politics will not become the exclusive property of the professionals.

One of the activities of the ARI will be the promotion of its members' participation in the labor union, citizen, feminist, ecology and consumer movements, and in other progressive social causes, supporting their independence from the parties, studying their own methods of action, strengthening their budgets, always seeking to make them play a greater role in public life."

The rest of the charter ranges over an account of the principles upheld by the ARI, such as the development in Spain of a powerful peace and disarmament movement to oppose international tensions; and the widest possible freedom of expression of the same. It comes out against the ideological poverty of the Spanish Left, and calls for the "definition of an economic and social strategy to help the workers confront the crisis by rising above capitalist logic and introducing self-management in production."

The charter of the ARI is regarded with a certain degree of skepticism in socialist circles and in general by the non-militant left, which is excluded from this new attempt at democratic strengthening. Those circles have assured this newspaper that "the crisis of the parties which is lamented in the charter is more a crisis of the Eurocommunist ideology with which the majority of the founders of the ARI identify themselves, and of course it can not be avoided if an ideological alternative is not offered. And this has not been done."

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MILITARY JUSTICE PROCEEDINGS INITIATED AGAINST GUERRA

Madrid EL PAIS in Spanish 5 Mar 82 p 15

[Text] The military judicial prosecutor of Region I has begun judicial proceedings against the president of the socialist parliamentary group, Alfonso Guerra, on the initiative of the Supreme Council of Military Justice. The grounds for this are the statements made last 7 February by the "number two" of the socialist party, who cast doubts on the seriousness of the trial of the men implicated in the unsuccessful coup of February 1981, 12 days before the commencement of the hearings. The possible prosecution of Alfonso Guerra, if it should come about, would require the approval of a petition against him by the plenum of the Congress, at the request of the Supreme Court.

The news became known when Guerra has been absent from Spain for 2 days--he is in Rome at a meeting with the Italian Socialist Party--and other members of the executive board were being extremely cautious about what public position to take. A spokesman of the executive board limited himself to telling this newspaper that "We are not making any statement until the official report on these events has come out. When it is received, the party will make public its position, within the prevailing legal code."

Beside the important political connotations of this case, the main point of interest is the procedure used for these judicial proceedings. According to the EUROPA PRESS AGENCY, which yesterday supplied the first news on the subject, "The military judicial authority is going to direct a communication to the Congress of Deputies, asking if the socialist leader was acting in his capacity of deputy on the day that the statements were made." This supposed direct relationship of military justice with the Parliament has caused surprise in judicial circles. Although it is not known exactly what the supposed crime is of which Alfonso Guerra could be accused, the same sources think that the procedure stipulated by the Code of Military Justice implies that the robed prosecutor of the Supreme Council, "acting in his own capacity or at the request of the Ministry of Defense," would file a motion to the Royal Prosecutor requesting the specific judicial action which might be appropriate to take place. Therefore, in case the Supreme Council should decide to take action against Alfonso Guerra, the process should be carried out through the regular courts.

In view of the parliamentary status of the assistant secretary general of the PSOE [Spanish Socialist Workers Party], the Supreme Court would be the

appropriate body to ask Congress for the petition to try Guerra. In the event that the petition actually is initiated, it would be the first time that the Chamber has had to make a pronouncement on a petition having to do with a high official in parliament, who in this case also holds the post of assistant secretary general of his party's executive board.

In the statements made to the EFE agency, to which the judicial proceeding appears to refer, Guerra declared: "It is true that there is fear that the 23 February trials are going to be a farce, and I share the fear." He also said that if there is no fair trial it will put an end to the possibility of democratic coexistence, among other observations referring to the trial of those who attempted the coup d'etat.

Although some socialist leaders could hardly hide their concern yesterday, the atmosphere in the headquarters of the PSOE executive board was one of calm with regard to this development, and they were awaiting official information on the matter in the absence of their top leaders.

No Surprise

However, this beginning of judicial proceedings against Guerra has not come as a surprise to the socialist leadership, and they had been expecting it in some form ever since the Ministry of Defense reacted so harshly to the so many times quoted statements. Last 9 February that department warned that, "Apart from any judicial proceedings that may take place," the ministry called these statements "an intolerable interference into the sphere of military jurisdiction," and "a serious attack on the character of the court of justice of the Supreme Council of Military Justice, and on its prestige as a judicial authority."

In spite of this, no rectification has come from Alfonso Guerra during the time which has passed since this affair. He has declared several times in private, and has hinted in public, that his statements to the EFE agency were what he thought, and in any case he had not said that he was sure that the 23 February trial was going to be a farce, limiting himself to "sharing" in a fear which was supposedly widespread throughout society. In recent months, Guerra has frequently expressed his opinion that the future of the democratic system closely depends on the sentences of those involved in the attempted coup d'etat being appropriate for the seriousness of those actions.

An editor from the EFE agency, who conducted the interview with Alfonso Guerra, has been called to make a statement.

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PAPER BACKS LEIFLAND ON REQUIRING BALTIC IN 'ZONE'

PM101345 Stockholm SVENSKA DAGBLADET in Swedish 4 Mar 82 p 2

[Editorial: "Leifland's Plain Speaking: Soviet Union Must Be Involved"]

[Text] The most important aspect of the unusually wideranging debate in the last year on the Nordic countries as a nuclear-free zone has been the almost total absence of precision surrounding the conditions which would have to be placed on the Soviet Union in connection with such a zone.

It was therefore beneficial that Foreign Ministry Under Secretary Leif Leifland stated in his maiden address to the War Sciences Academy Tuesday evening [2 March] that the question of the Baltic as a nuclear-free zone is primarily a question of the Soviet Union's willingness to cooperate.

The Swedish debate--principally before the sudden appearance of submarine 137--ignored all too much the fact that it is the Soviet Union and not the Nordic countries which has access to nuclear arms.

But Leifland began from a different point of departure--perhaps not as controversial, but nevertheless literally vitally important for the future: "The international community's most important and most urgent task today is to finally bring about substantial reductions in the nuclear arsenals."

Here Leifland mentioned strategic nuclear missiles, real doomsday weapons, and the tactical nuclear arms, the increasingly sophisticated warheads which, if nothing else, could mean that a few political or military madcaps could be misled into thinking that it would be possible to win a limited nuclear war.

To quote Leifland directly: "The almost unhindered spread of nuclear arms to ever lower levels is deeply worrying. It can only increase the risk of weapons being fired as a result of human error or technical failure despite the current doctrines and safety regulations." Or, to put it differently: "We are on the verge of our own destruction. The fact that it would possibly be the result of a mistake is little cause for celebration."

As far as the Nordic countries as a nuclear-free zone in general, and the Baltic in particular, are concerned, Leifland made reference to former Chairman Khrushev's famous speech in Riga in 1959 when the expression "sea of peace" was first launched.

Almost 25 years later we can state that, despite many verbal sallies in the same direction, we are now further from the goal than at any time in the past. Few, if any, should know this better than Leifland--not only because of submarine 137 but also through many years of high level political contacts with the Soviet Foreign Ministry.

It is worth recalling that after President Brezhnev's much-reported but imprecise interview in a Finnish newspaper in the summer of 1981 Leifland sought to discover in Moscow more exactly what it was the Soviet party boss could have meant. Leifland did not receive any clarification then, nor has anyone since.

And that is where we stand now. In the light of this, it is worth summarizing the demands specified by Leifland for Soviet commitments--demands the Soviet Union must answer if the issue of the Baltic as a nuclear-free zone is to be meaningful:

The whole of the Baltic must be incorporated, including Soviet waters.

The zone must also include harbors and shipyards. Supply ships must not be allowed to transport nuclear arms in or to or from the Baltic. Not even ships which are usually stationed elsewhere in the world could be permitted to do so, except in emergency situations.

The Soviet Union must allow checks on harbors and on board ships to demonstrate that nuclear arms are actually being kept out of the Baltic.

Probably this Swedish viewpoint, "well established" in Sweden as it is, is "probably not completely welcome in Moscow." This judgment of Leifland's is probably well founded.

But if further progress is to be made with the idea of the Nordic countries and the Baltic as a nuclear-free zone then it is no longer possible to ignore the real problems--the political realities.

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STOCKHOLM PAPER BACKS REMARKS IN LEIFLAND SPEECH

PM111237 Stockholm DAGENS NYHETER in Swedish 8 Mar 82 p 2

[Editorial by Olof Santesson: "Leifland's Demand"]

[Text] Sweden must demand to be allowed to inspect both the Soviet Union's and other countries' naval vessels. This was the "assumption" made by Swedish Foreign Ministry Under Secretary Leif Leifland when speaking of the treaty arrangements surrounding a possible nuclear-free zone in the Nordic area.

Leifland's views, presented in a maiden speech to the War Sciences Academy, have attracted much attention. Many voices have agreed with him. This is not surprising. Since the affair of the intrusion of Soviet submarine 137 into the Blekinge Archipelago last fall many people have taken the view that it is right for high-ranking Swedish security policy decisionmakers to adopt a resolute, almost "tough" attitude.

It can be seen as a firmly fixed Swedish position that the whole of the Baltic (with the possible exception of national exits into the Baltic) must be included in a nuclear-free zone in northern Europe, Leifland said in what was politically the central section of his speech.

In this context Brezhnev himself has also spoken of the possibility of measures which would affect Soviet territory. According to Leifland it would be natural if one of these measures were to be that other countries were given the right to verify that nuclear arms were not on board any Soviet naval or transport vessels built at Baltic shipyards or either permanently or temporarily deployed in the Baltic.

This would seem to be the first time that such a demand has been put forward on the Swedish side--albeit that Leifland was speaking as a private individual. But what he said should really be seen against the background of the marked skepticism among Swedish security policy experts toward the whole idea of a Nordic nuclear-free zone. Governments want to test the possibility; civil servants warn against basing security policy on agreements and foreign guarantees.

It is extremely difficult to believe that the Soviet Union would be willing to agree to a right of inspection of the type sketched by Leifland. In fact it seems almost unthinkable. Initial offers are, however, always open to

discussion. But there is often a tendency in today's security policy skirmishes for the two sides involved to put forward unacceptable demands in order to prevent settlements they would prefer to avoid.

Given the present situation Leifland's intention hardly seems to be to create a diplomatic opening around a nuclear-free zone. On the contrary, his speech to the War Sciences Academy points to the difficulty of creating new arrangements without a minimum of mutual confidence. And today, unfortunately, we are below such a necessary minimum.

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MORE TRAINING IN FORTIFICATION ASKED BY FORCES

Helsinki HELSINGIN SANOMAT in Finnish 20 Feb 82 p 11

[Article: "Defense Forces Want More Fortifications"]

[Text] Nurmes--The defense forces would like to increase the number of peacetime fortifications. According to Lieutenant Colonel Elje Puranen, commander of the Central Finland Sapper Battalion, the military development of the super powers has resulted in a situation in which small countries should resort to fortifications prior to a crisis.

The defense forces and the sapper troops, in particular, have increased the fortification training of recruits. Also the army is attempting to camouflage more and more of its equipment with camouflage paint and netting. Thus, for example, the standard painting of garrison trucks will be abandoned.

Lieutenant Colonel Puranen presented the defense forces' hopes for an increase in peacetime fortifications at the annual encampment of sapper units in Sotinpuro near Nurmes. Sapper units from around the country have been assembled together at the training grounds located on the border of Rautavaara and Nurmes.

"It is imperative that we obtain peacetime fortifications since there will be no time to build them when a crisis occurs. Only then will the defense forces be able to accomplish their task or prevent the advance of foreign troops," stated Puranen.

Colonel Ilmari Hurmerinta, sapper inspector of the General Staff, stated that the defense forces have only now procured modern heavy clearing and construction equipment. It has been 25 years since the last procurement of bulldozers, excavators, and caterpillars.

The sapper leadership of the defense forces is attempting to find new means of cutting off travel along highways and other asphalt covered roads. At the camp in Nurmes sapper units are conducting exercises in the prevention enemy advancement with new mines developed for the purpose of destroying highways.

The sapper exercises also include the construction of bridges and other temporary means of passage for civilian use. Colonel Hurmerinta states that the army recently received a large number of requests for this type of construction. Military units are capable of accomplishing only a portion of this type of project.

The defense forces collects compensation for the construction of sapper bridges, which compared to the costs of construction firms is quite advantageous.

MILITARY

NORWAY

DANISH EXPERIENCE WITH HAWK BEING WEIGHED IN MISSILE PLANS

Oslo AFTENPOSTEN in Norwegian 26 Feb 82 p 40

[Article by Knut Falchenberg]

[Text] Roskilde, Feb--"If war threatens to break out, the first thing we will do is pack up our missiles and move! We must not remain here," Major Peder Lungholt said. He is the leader of the Danish 544th squadron in Svaelsgard near Roskilde, which is equipped with Hawk missiles of the same type our military is considering purchasing.

The missile battery here has one task--to shoot down enemy planes. It is no joke when Lungholt says he will pack up his equipment and move to another place if the situation becomes serious. The point is that the enemy planes must not know where the Hawk missiles are located.

"During a war we must move. Our safety is dependent on our hiding in the terrain. As long as we must have our vulnerable antennas in the air, it is safer to move around than to hide in bunkers at one location," Lungholt said.

His men train regularly to keep themselves mobile. It takes 1 hour to pack up a Hawk battery and the same amount of time to set up everything at a new location. Most of the time is spent rolling in and out the enormous lengths of cable that connects the six launching ramps with the radar and the command vehicle.

"How would this battery be moved in the mountain wilderness around a Norwegian air base?"

"That depends entirely on the conditions and the equipment. With the wheeled vehicles and trailers we have, it is easiest to move on paved roads. Even on the flat terrain of Zealand we sometimes must use two trucks to pull our equipment over damp ground," Lungholt said.

Various Periods of Readiness

When AFTENPOSTEN visited the 544th battery, it was on 6-hours readiness. Within that time everyone must be in his proper place. On other days and at other

batteries the readiness may be shorter or longer. This should not be known by a possible attacker.

A total of 18 missiles point toward the sky. They are in groups of three on the launching ramps. The officer can launch the missiles from the mobile control vehicle or he can let a computer press the button based on the computer evaluation of the threat. When the missile is launched it reaches the sound barrier for the first time when it is 1 meter from the launching ramp. About 200 meters away it passes the sound barrier for the second time. Later the missile passes the barrier again. The missile guides itself toward the target, which may be a plane up to 50 km away. Powerful "target-tracker" radar follows the plane, consuming 45,000 W and the radar waves reflected by the plane guide the missile to the target.

Several Radar Units

The missile battery has double sets of all radar equipment and, thus, it can fire missiles toward two different targets at the same time. The experts speak of pulse radar, doppler radar, extra-distance radar, and target-tracker radar. Computers evaluate which targets are most dangerous, when they can be hit, and in what sequence they should be attacked. Planes are relatively safe at altitudes above 15 km and at distances of 50 km away.

Norway has considered purchasing such "Improved Hawk" batteries to defend air bases, but the air force is particularly concerned over the personnel problem. One possibility is to maintain minimum personnel and use mobilization if war threatens.

"Our battery has 97 men, of which two thirds are permanent and the rest are draftees. Still, we have cut our personnel to the bone and most men serve two functions. For example, a radar operator may also be a medic. By way of comparison, a similar Hawk battery in West Germany has 160 men," Lungholt said.

Continuous Operation

"In our opinion, all this advanced electronic equipment must be in operation around the clock. It is difficult to cool down the equipment and then start it up again. The technicians must be well trained. There is no time to look through handbooks when a problem must be corrected. For this reason, it is impossible for us to base our operation on mobilization with only occasional training," Lungholt said.

In typical Danish fashion, the missile battery is operated more in a jovial than a "military" manner. Performance is the key and as long as the soldiers do their job to perfection, they are permitted to drink beer with their lunch.

"I believe this is exciting work and I can learn something at the same time. It is not wasted work," said John Pagaard who volunteered for a sergeant training course and will serve for 18 months in the military. "Our dream is to participate in target practice, but not everyone is permitted to do that,"

the sergeant said.

Chain of Hawks

Since the Danes purchased the Hawk in 1965 they have participated in target practice in Sardinia, Crete, southern France, and the United States. They hit the mark with every shot but one.

At present there are four modernized missile batteries on Zealand. According to plans, in 1983 two American batteries will be placed in Funen. When they become operative, there will be a continuous chain of Hawks through Europe from Oresund to the Swiss border. In order to keep up, the Danes have had to discontinue their Nike batteries, which are used against planes at higher altitudes. The last Nike battery will be shut down at the end of the year and after that time planes at higher altitudes will be countered by fighter planes.

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